

**NEWSPAPERS:** The gloves come off • **OILPATCH:** Confronting terrorism

CANADA'S

WEEKLY NEWSMAGAZINE

# Maclean's

FEBRUARY 8, 1999

## Saving the Games

Canada's Richard Pound  
fights to clean up  
the Olympics



Why Juan Antonio  
Samaranch must go



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# From The Managing Editor

## It's all about the loot

**A**lly Holburn, the great Canadian runner of the 1960s and '70s, told it like it was—or how we like to think it was—when she described the Olympic movement in those words: "The Olympics present a vision of humanity, an enduring insight into physical beauty, the possibility of perfection, the drive to excellence and the undeniable human spirit."

She said that in 1975—one year before邓小平's Policy dismantled the Olympic movement in those words. "The Olympics present a vision of humanity, an enduring insight into physical beauty, the possibility of perfection, the drive to excellence and the undeniable human spirit."

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Armstrong: can he ride out the storm?

What the Olympics are, mainly and sadly, is a force for loot. Without the money generated by television rights and corporate sponsorships, few cities would be able to host the Games. But revenues have grown so obscenely large—about \$2 billion for the Summer

Games, half that for the Winter Games—that vote buying and selling was inevitable. The astonishing thing is not that bribes were sought and paid, even in the upstart Mormon town of Salt Lake City, but that the amounts were so paltry—in the tens of thousands when, given the sums at stake, they might have been in the millions.

There is no way the IOC can extricate itself from the scandal with its lofty principles intact. The removal of that spring disrupt Jean Armstrong's presidency, a necessary first step: the IOC will have no credibility at all if Armstrong survives the corruption's membership meeting in Lausanne next month. But his departure will accomplish nothing unless the IOC finds a way to cope with all the cash the Games spin off. Much greater transparency in the secretive bidding process is essential, including open votes by IOC members. Public disclosure of all monies received from broadcasters and sponsors and a detailed public accounting of the distribution of those funds would help. But the fundamental problem remains: the IOC, as a loose unit itself, responsible to no one but itself, exporting its no-account or no-fault moral, free to exercise its sleazebagism in any way it sees fit.

Perhaps the answer is to abolish the IOC and turn the Games over to the folks who pay the bills—the networks and the sponsors. Let them appoint their own committees to choose the host cities, invite the athletes, enforce the rules and run the Games. They couldn't do any worse than Sarment's IOC.

*Jeffrey H. ...*

## Newsroom Notes:

### Let the games be saved

When Maclean's Sports Editor James Deacon went looking for the man at the centre of the Olympic bribery scandal in reporting this week's cover package (page 16), he did not have to look outside of Canada. Richard Pound, the vice-president who last week talked recommendations designed to reform the International

Olympic Committee and rebuild public trust in the movement, was back in his law office in Montreal leading to his precise. The onetime Olympic deliverer vowed that the IOC can—and will—take the necessary steps to salvage the credibility of a seemingly corrupt organization.

Others are not so sure. Senior Writer Jane O'Hara reports that critics are howling about 78-year-old IOC president Juan Antonio Samaranch's refusal to take responsibility for the scandal by resigning. While the secretive organization, meanwhile, the political jockeying over who might succeed Samaranch at the helm of the Olympic movement, has already begun.



Deacon (left), O'Hara drama hawks

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Army all-terrain vehicle in Toronto; inexperienced

## Plowed under

My only knowledge of the Toronto snow storms ("Wild weather," Cover, Jan. 25) comes from the media. However, one of the most interesting aspects of the whole affair is how many people seem to have become as a result of the inexperience (one caused by the storms). No matter how adept we become at creating artificial environments, nature is capable of outsmarting us. Is it reasonable to expect the city or the airport to be prepared to handle two-thirds of a winter's seasonal snowfall in a two-week period? Probably not. If we were less preoccupied about our ability to control nature, we would be better equipped emotionally to deal with whatever nature might throw at us.

Jim MacDonnell,  
Milford

The geographical analysis of Toronto due to snowfall is an embarrassment in itself. However, if pales in comparison to the whining post:

### LETTERS TO THE EDITOR

should be allowed to  
Macdonnell's Magazine Letters  
777 Bay St., Toronto, Ont. M5W 1A7  
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E-mail: letters@macdonnell.ca

Macdonnell welcomes readers' views, but letters may be edited for space and clarity. Please supply names, addresses and daytime telephone number. Submissions may appear in Macdonnell's electronic sites.

of Mayor Mel Lastman, calling in the cavalry. Whatever happened to "emergency preparedness"? Would it's it make more sense to call upon the resources of Toronto first, before asking for outside help (like, say, several thousand police, fire and ambulance workers, plus several regiments of reservists who are already stationed in Toronto)? I hope somebody makes Mel stay after class and write on the blackboard 300 times "The army is for real emergencies—not for reassuring nervous Nellys."

Chloë MacGregor,  
Toronto

Much has been reported about the requests, by Mayor Mel Lastman, for help from the Canadian armed forces during the recent snowstorms. The department of national defence, and local arms commanders, should have the authority to direct to emergencies of all kinds without the formality of an official request. As the role of the armed forces is as much proactive as reactive, it would seem an ideal opportunity to use the skills they possess for the public good.

Robert Walker,  
Vancouver

It was disheartening that so many fellow Canadians seem to have so little empathy for the difficulties faced by Torontonians due to the January blizzards. It's true that others have endured more disastrous conditions, but that doesn't mean Toronto didn't have problems. I wouldn't call myself a Mel Lastman supporter but, in any case, I think he did his job by calling in the necessary resources to respond to our crisis. I believe asking for help when you feel you need it is a strength, not a weakness. What makes me a wing, then I wear the label proudly.

Joan Cain,  
Toronto

Let's not... when actual temperatures, record-breaking snowfalls, public transportation comes to a halt, businesses unable to open. In Winnipeg, we call this a holiday.

Bernard Gelles,  
Winnipeg

Thank you for not mistaking Victoria's blizzard of '96, the worst in more than 100 years. The streets were impassable; the roads buried, 4 x 4s couldn't negotiate the side streets, nurses and doctors were taken to hospitals by volunteer snowmobiles, roofs of buildings collapsed from the weight

## IOC 'feudalism'

In the last half-century, we have watched our world Olympic organization decay to the state of a global corporation endowed with powers that make the lords of feudal Europe seem like leaders at a church camp. Does the head of the International Olympic Committee, and his fellow money-spongers, propose to convince the juries and judges of the world that none of them were aware that any of the cities have been into barely paying up to their sons for many years past ("Gauging the cost of a scandal," Sports, Jan. 25)? You bet they do. And they'll get away with it.

Kath Lee,  
Procter Creek, Alta.

of the snow—nearly 100 cm in three days. A local radio station co-ordinated volunteer services, including the militia, to help shovel five-foot drifts so emergency vehicles could get through. The city was virtually isolated for one week. I just came in from cutting snow roads and moving the lawn to keep you aware of our place in history.

Bob Thorsteinson,  
Victoria

You describe Toronto as receiving 113 cm of snow in two weeks, compared with its average of 25.5 cm for all of January. I would like to know why Canadians feel Torontonians are "victims" for calling in the army when, according to your article, New Brunswick "closed all schools" when up to 45 cm of snow hit the province and Nova Scotia "closed all schools outside of Halifax and Cape Breton" because of freezing rain. During our two weeks of storms, Toronto closed public schools for just one day. It seems as though Canadians are just searching for a reason to bash Toronto.

Kay Lyn Evans,  
Toronto

If there's no wind, it's not a blizzard. It may not even be a storm. We had a white Christmas in Vancouver. It made travel difficult, but it was hardly a blizzard. A blizzard is when you have to tie a rope around your waist to guide you back from the barn.

Gloria Zigel,  
Vancouver

## Canada's culture

I was born in Latin America. In my early teens, I decided to go to Canada to broaden my education. Although I was too young to pinpoint the difference between Canada

# ETERNITY

Calvin Klein  
fragrances for men and women



# Maclean's

## Editorial Update



### Canada on Ice: 50 Years of Great Hockey

Maclean's has long covered the highs and lows of Canada's favourite game, hockey. And over the years, the magazine has assigned the country's best writers, including Brent Fyfe, Peter Czernik, and Roy MacGregor, to explore the sport, both on and off the ice. Now the best examples of hockey writing, selected from Maclean's vast archives, appear together in the new book *Canada on Ice: 50 Years of Great Hockey*.

This new collection of stories delves into the careers of hockey's greatest players—Rocket Richard, Gordie Howe, Bobby Orr, and Wayne Gretzky, to name a few—and profiles hockey's legends and colorful characters. Eddie Shore, Brett Suttner, Stan Drury and Allen Eagleson.

Often recounted by the very people who lived a firsthand account of a hockey history, *Canada on Ice* also surveys the sport's defining moments, from the Stanley Cup win of the Toronto Maple Leafs and Montreal Canadiens, to the current epoch of superstars and multi-million-dollar salaries.

Canada on Ice, published by Penguin Books Canada Limited, is now available at bookstores everywhere and retails for \$35.

## Newsstand Notes



### Web Site News

Maclean's on the World Wide Web aims to give a variety of stories from the current week's issue. Our address is <http://www.macleans.ca>

### Our Internet edition site offers:

- **Maclean's Weekly Selections** — Informative and entertaining stories tied to the week's top stories, selected by fellow Canadians and Maclean's.
- **Maclean's Experts** — A selection of previous stories organized to help readers follow current issues.
- **University Rankings** — Our annual look at universities, plus a directory with info to university Web sites.
- **Maclean's Forum** — A place to speak out on issues of the day.

## Special Advertising Feature

Maclean's proudly presents the annual BEST advertising supplement. Find the best way to save towards a financially sound retirement with the latest strategies, including picking the investments you need, boosting your foreign content and new ways that link saving for your children's education to RRSPs. Watch for this blue chip information in Maclean's Feb. 22, 1999 issue, in newsstands on Feb. 15, 1999.

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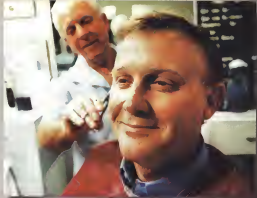
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# Anthony Wilson-Smith

## Blending kitsch and cool

**I**f Tyler Brûlé had never been born, the question is whether anybody else at *Wallpaper* magazine could have had the imagination to invent him. Creative thinking, after all, is the force that drives *Wallpaper*\*, often described as the arbiter of what is hottest in a city—London—acclaimed as the coolest in the world. Magazine staff members, a congregation of who hovers around 30 years of age, have acknowledged that rather than rely on real-life experiences, they often offer fantasy scenarios staged at readers who can only dream of the lifestyle they describe. Among the 100,000 or so readers of *Wallpaper*\* spread across more than 40 countries, are three young, for example, who can afford the \$28,000 leather "Ox" chair featured in a spread in the latest glossy papered edition of the magazine? No, acknowledged Brûlé. But, he says, "If I like it, it's cool, no matter how improbable."

Both of these descriptions apply to the life of Brûlé, the 30-year-old founder, editorial director, and still part-owner of *Wallpaper*\*. Born in Winnipeg, he moved to Toronto as his teens, and worked tables while studying journalism at Ryerson Polytechnic University. Restless, he dropped out, and got a job in England in 1989 as researcher on a BBC television program. Over the next five years, he talked his way into jobs writing about everything from fashion to hard news for publications ranging from *Vanity Fair* to *Der Spiegel*. In 1994, on assignment in Afghanistan for *Richard's Bay News*, the Toyota Hellcat was riding in—leaving United Nations markings—was ambushed by snipers, who killed it with 16 bullets. All survived, but Brûlé was shot in both arms. Admitted to London, he spent weeks reimagining and reading. He recreated the idea for *Wallpaper*\*, a magazine aimed at hip young people with the tag line: "The stuff that seriously you." With no business background, he courted investors by using the persuasive skills he developed as a freelance writer "where you get about 30 seconds at the end of a phone to tell your story before some editor hangs up on you."

After raising about \$500,000 in startup money to launch, a British government grant, and advertising commitments, *Wallpaper*\* was launched. After four issues, it was \$1.8 million in debt, when—with Brûlé poised to declare bankruptcy—Time Warner acquired interest. Brûlé sold the magazine in 2000 for \$2 million while retaining a 10-per-cent interest, his position as editor, and gaining a contract to develop new products. Though by no means rich, he says, "It's possible to foresee the day when I get there from here."

*Wallpaper*\* is content to be an often-baffling blend of kitsch and cool. On the content of each edition, Brûlé pays tribute to his mother, Virginia, an artist, with the words "special thanks to Mom," and her macabre and chaotic cause: his rejection of his favorite

color. In the latest edition, there is an apparently serious homage to the "easily new interior" of a McDonald's restaurant in Stockholm (Brûlé, who is gay, has a Swedish boyfriend and visits regularly). *Wallpaper*\* also offers advice on such essentials as how to wear at the airport while waiting for your private jet, the best way to spend a weekend in Dubai (stick up on lingers at the Gold Souk) and the news that "a new stackable chair by Vico Magistretti will be the showpiece on the First House stand at the IFP Fair in Cologne."

That may sound incomprehensible to people outside *Wallpaper*\*'s target audience of cutting-edge 20-and-30-somethings. But it made perfect sense to executives at Time Warner, who saw the magazine as their introduction to an advertisers' dream market.

Brûlé says that the magazine, which sells for more than \$8 in Canada, will become profitable this year, and one recent issue—crisscrossed with ads from upscale watchmakers, clothing and furniture designers—passed the 200-page mark. Brûlé now lives some of the life that his magazine describes. He gets to New York about once a month—"on the Concorde, such a joy"—and allows that he isn't necessarily comfortable meeting with corporate executives several times and lifestyles revealed.

Brûlé's greatest creation remains himself. Fashionably thin, often clad in fashionable black, he describes *Wallpaper*\*'s readers as "microcosmic"—an inverted world seeing "young people whose sexually matured lives then the things that urban life gives them in common." Always a quick study, on a recent visit to Toronto, he stumbled when a morning television show interviewer asked him "what is cool about Canada." He fared much better on the same question several hours—and interviews—later. This time, he smoothly cited Canadian companies like the *Wallpaper*\*'s own Seasons Hotels, they deliver direct-service around the world.

Brûlé's mother supplies a significant number of items featured in *Wallpaper*\*, she keeps things at garage sales around Toronto's rockably middle-class neighborhood of Leaside, and sends them to Tyler. Some—"about 40 per cent," he says—such as a wooden stanchion clock now in his office, end up in the magazine. He has no relationship with his father, Paul, who is divorced from Virginia, and stopped speaking to Tyler after learning he was gay. Tyler says matter-of-factly: "I have been a good son to both my parents. But I am who I am."

The two share one quality. Paul Brûlé was once a star CFL football player with Winnipeg and Montreal, recovered from having to play through pain. Tyler has raised his knee, grabbed his future in starting the magazine, and spent his adult years on a different continent, overcoming challenges by his own. The kind of courage each has shown isn't the same—but one is no less than the other.

As editor of *Wallpaper*\* magazine, Winnipeg's Tyler Brûlé is the arbiter of what is hottest in London

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# Opening NOTES

Edited by TANYA DAVIES

## What's in a name?

When it comes to letter-writing postcard, the 10 provincial premiers and two territorial leaders were uncertain about how much formality is required. A Jan. 22 letter to Jean Chrétien began with a straightforward "Dear Prime Minister." But when it comes to their signatures, some use their full names while others are more familiar, signing only their first names.

Alberta's Ralph Klein, who is friends with the Prime Minister, is just plain "Ralph." Manitoba's Gary Filmon, who is not a close friend of Chrétien's, also signed only his first name. But Newfoundland's Brian Topp, a longtime member of Chrétien's cabinet, signed his full name. Maybe it has to do with the old adage that the smaller the jurisdiction, the more seriously the leader takes himself. But Prince Edward Island's Pat Binns is simply "Pat," ruling that theory out.



Chrétien (front) and other first ministers, attentively discussing how to sign their names

Perhaps the most revealing signature is that of Saskatchewan's Roy Romanow. A longtime Chrétien friend and ally, he makes the current chairman of the premier. Romanow splits the difference with script "Roy R." Anticipating for governor general maybe?

## CAPITAL CONFIDENTIAL

No one had to tell Jean Tobin that calling a provincial election just three years into a mandate could be risky business. Newfoundland's Liberal premier came within a whisker of a trip to the polls last fall—at the 2½-year mark—then changed his mind. But waiting a few months—the vote is on Feb. 9—has not lessened conviction that he is an opportunist who wants an election simply because his party enjoys a huge lead in the polls—and because he has larger ambitions to run for the federal leadership when Jean Chrétien steps down. Tobin is gambling that those negative sentiments will not translate into lost votes for his Greens, who sat at 60 per cent of decided support when he called the election on Jan. 18, 1994. Tobin would not be the first political leader to find that voters had another timetable—and another candidate—in mind after rushing into a premature election. The most stunning mis-

calculation in recent history was David Peterson's 1990 decision, with a 20-point lead in the Ontario polls, to call an election after only three years in office. To his credit, Peterson was successful in his gamble, winning a second term. But his gamble was not without its costs. Fourteen years later, Quebec premier Robert Bourassa made a fatal pin, calling an election in the Parti Québécois era when he, too, tried his luck after three years.

Of course, going early sometimes pays off. Newfoundland's Brian Peckford was successful in 1979. And in 1982, Alberta's Peter Lougheed, who was way ahead in the polls, also called and won a snap election. Tobin himself called a quick vote in 1994 after taking over from Clyde Wells. But it is common for newly elected leaders of a governing body to ask for a vote of confidence from the people. It worked for Pierre Trudeau in 1968, although not for John Turner in 1984 or Kim Campbell in 1993.

## EMPORIUM

Officials in Finland recently announced that the country now has more mobile phones than fixed-line telephones. The top 10 cellular countries by number of mobile subscribers per 100 people, and Canada's rank:

1. Finland	50.4	7. Japan	36.7
2. Norway	45.5	8. Singapore	34.6
3. Sweden	45.8	9. Italy	34.4
4. Hong Kong	43.2	10. Australia	32.8
5. Guam	43	22. Canada	19.2
6. Israel	37.4		

SOURCE: THE STATISTICS BUREAU

## GOLDFARB POLL

When 1,400 Canadians were asked whether they approved of a married couple taking separate residences, the majority responded that Separately, respondents from Quebec, which in a recent Matlow's poll, proved to be the most liberal province in regard to sex and relationships, were among the least likely to approve.

By percentage of adults

Approver of a husband and wife taking separate residences	Total	B.C.	Prince	Ontario	Quebec	Atlantic
	78	43	35	48	32	32

DATA BY JEFFREY HOFFMAN, 2004

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Why does the moon stay in the sky?

What makes the stars twinkle?

How does the Internet work?

Actually, it works very well. Maybe because so much of it runs on Compaq. Four out of the five most popular Web sites are powered by Compaq. Hundreds of millions of hits are handled by Compaq platforms every day. Three-quarters of the top ISPs have standardized on Compaq for their Windows NT based Web hosting. And if you've ever received e-mail, chances are, we helped get it to you. To find out how the Internet can help grow your business, feel free to ask the source at 1-800-567-1616. Or visit [www.compaq.ca/ebusiness](http://www.compaq.ca/ebusiness)

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**Don't be slow:** Knocking down *Chances* *Pop* in 1987 (left), *watering*

## DOUBLE TAKE

### Yvon Durelle

The amateur Joe Louis said it was for general fight he had ever seen. The date was Dec. 30, 1956, in Montreal. In one corner: Yvon Durelle, the 29-year-old heavyweight from Belle Ste Anne, N.B. In the other, boxing legend Archie Moore, the world light-heavyweight champion. Although the American champ was 44, an age gave Durelle a chance. The underdog, however, knocked Moore down five times—before the champ knocked Durelle out in the eleventh round. He had a backflashing rematch with Moore in 1959, but ended his career with 57 knockouts in 130 bouts. After that, Durelle opened a bar in his home town of Belle Ste Anne, where he still lives with his wife of 47 years, Therese.

Durelle again made headlines in 1977—when he was charged with murder after he shot one of his drunken patrons. The father of four claimed it was self-defense that time, and did not even watch. He says he is no longer wanted to sports dinners. "I'm done now," he says. "Knap."

Not to his fans who helped send him to Archie Moore's funeral last December in San Diego. Fellow Montrealers, including the Irving-Cli family, raised the money to pay for his trip. "I [KC] living called and said, 'Get ready, you're going,'" he says. "It was a long trip, but I enjoyed it."

BARBARA KROGTUN

## POP MOVIES

### Food made with love

South Michelle Sellar takes a break from the television screen. Buffy the Vampire Slayer to star in *Senryu* (Vestibule). Sellar plays Amanda, who inherits her mother's restaurant—but not her culinary skills. When she falls for a customer, she transfers her emotions to her cooking, leading to entropy in the kitchen—and love.



Reunions in Canada	1. <i>Paula Abdul</i> (1975)	36,122,369
Best effort according to last effort except	2. <i>Gold Digger</i> (1967)	34,415,000
along the way	3. <i>Family Blues</i> (1970)	31,030,000
that could be the best	4. <i>Deanna</i> (1975)	30,240,000
of the best	5. <i>The Best of the Best</i> (1967)	27,111,456
(% of best)	6. <i>In the Heat of the Night</i> (1967)	26,025,000
of the best	7. <i>Shogun</i> (1975)	25,000,000
(showing)	8. <i>How I Live Now</i> (1975)	24,000,000
of the best	9. <i>In the Heat of the Night</i> (1967)	24,000,000
of the best	10. <i>A Simple Plan</i> (1975)	23,000,000

## BEST-SELLERS

### FICTION

1. *Red* (1997)
2. *The Love of a Good Woman* (1997)
3. *Southern Cross* (1997)
4. *The White Room* (1997)
5. *The Princess Bride* (1997)
6. *The Golem of Golemopolis* (1997)
7. *How to Succeed in Business* (1997)
8. *The White Room* (1997)
9. *A Man in Hell* (1997)
10. *How to Succeed in Business* (1997)

### NONFICTION

1. *Life* (1997)
2. *The Prisoner and the Woman* (1997)
3. *The Prisoner and the Woman* (1997)
4. *The Prisoner and the Woman* (1997)
5. *The Prisoner and the Woman* (1997)
6. *The Prisoner and the Woman* (1997)
7. *The Prisoner and the Woman* (1997)
8. *The Prisoner and the Woman* (1997)
9. *The Prisoner and the Woman* (1997)
10. *The Prisoner and the Woman* (1997)

## Toning the mind

Spressed out after a bad day at the office? Vancouver kinesiologist Bruce Hornsby offers effective strategies for relieving stress, boosting attention and improving performance in *Making the Mind/Body Connection* (Kinetic Publishing Corp.). Also included are simple physical exercises that help clear the mind.



# Passages

**SIGHTED:** Prince Charles, 50, and Camilla Parker Bowles, 51, making their first public appearance together as a couple when they attended the 50th birthday party of her sister, Annabel Elliot.



lost week, in London. The longtime romance is well-known, but the couple has married in the past to avoid being photographed together by amens and departing separately at social events.

**DIED:** Alexander Angus (A. A.) Macdonald, 67, former director of the Coady International Institute, a think-tank that promotes community development, after a lengthy illness, in Antigonish, N.S.

**DIED:** Robert Shaw, 82, longtime conductor of the Atlantic Symphony, founder of the Robert Shaw Chorus and winner of 14 Grammy Awards, following a stroke, in Atlanta.

**DIED:** Kelly Meyer, 52, founder and former editor of *Queen's* magazine and founder of the Canadian Children's Open Chorus, in Toronto.

**DIED:** Elsie Park Gossie, 84, playwright whose radio plays dramatized Canadian history and won three Carnegie Awards in the 1930s, in Edmonton.

**PANOLED:** Convicted kidnapper David Spencer, 55, and Christine Leland, 39, in Vancouver. The couple served nine years in jail in Brazil for their role in the 1989 kidnapping of a Brazilian businessman. They were returned to Canada in November to finish their sentences.

**DROPPED:** Criminal harassment charges against Mayor Vito Rallo, 45, the second-highest official in the office of the police in Ottawa. A former employee, Josephine Grace, 55, had complained to police that Rallo was stalking her, but the Crown said there was insufficient evidence to prove the case.

**AWARDED:** By the Canada Council for the Arts, the \$25,000 Virginia Parker Prize for most talented young classical musician, to Fredericton pianist Richard Raymond, 33.

# GREECE

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**Richard Pound has introduced major reforms to polish the IOC's tarnished rings**

# Saving the Games

BY JAMES DEACON

**T**here are newspapers, file folders, books, family photos and probably some really important stuff on Richard Pound's desk. 39 floors above the corner of Peel Street and Ross Lane in Quebec, Montreal, shelves, chairs and all other kind surfaces in the office are similarly strewn with slivers adorned by sticky notes, demanding immediate attention. When a guest arrives and sits down, Pound has to trim the top half off a couple of piles in order to be seen from across the desk. The volume of work goes with the territories over which he presides. Last week, Pound was confirmed as the new chair-

man of Montreal's McGill University, one of the pretentious volunteer positions he holds outside his job as a senior law lawyer at the Montreal office of Skidmore, Elliott.

The McGill appointment should be cause for celebration, but Pound is looking as grey as the January day outside his windows. That is because of his other volunteer post, with the International Olympic Committee. As head of the IOC's in-house investigation into the Salt Lake City, Utah, bribery and corruption scandal, Pound has spent much of the past seven weeks on airplanes and is suffering from a near permanent state of jet lag. He has no time for fatigue. Allegations from Salt Lake and other cities that bid for recent Olympic Games have made it clear that the IOC is sick, and aging president Juan Antonio Samaranch, head of the IOC, has the job of steering a skeptical public that the organization is capable of healing itself. "It's not impossible," he says, his voice tired but firm. "The real thing is not so much that a crisis has struck—it's what you do since it happens that counts."

Which brings me to the billion-dollar question, can Dick Pound save the Games? He certainly has the credentials. More than any single person,

he is credited with the current Utah financial state of the so-called Olympic movement. As head of marketing for the IOC, he has helped make the Olympic rings one of the most recognized and lucrative logos on Earth, and he has negotiated billions of dollars worth of TV contracts to ensure solvency through the 2008 Summer Games. But all that was easy compared with his bid of choice since the Salt Lake scandal broke in mid-December. He has grilled officials and Utah officials, examined financial records, written a report that recommended expulsion of six of his colleagues, proposed reforms of the host-city selection process, as-

**COVER**



**POUNDS & SCANDAL:** Pound files his report on Samaranch, Samaranch passes the Olympic flag to Salt Lake Mayor Roden Conner in the Nagano Games last year



swered dozens of interview requests and soothed the concerns of sponsors and TV executives who pour the aforementioned billions into every Games.

That may not be enough. Pound is at the centre of the scandal not just in his role as chief investigator. He has been near the top of the IOC's steep pyramid since 1980, long enough to be viewed as guilty by association. After all, the IOC's leaders had heard reports of corruption for more than a decade, yet agreed to continue an independent ethics panel only after the scandal finally grew them no choice. Samaranch contends that the IOC could not take action earlier because it did not have the necessary evidence—none of the previous bidding cities had ever named names. But that explanation does not satisfy critics, who now are clamoring for Samaranch to step down (page 26). "How can you maintain the public's trust if Samaranch is still there?" asks Mark Tewksbury, Canada's 1992 gold-medal swimmer. He added: "The IOC is the last bastion of aristocracy and that has to change."

Pound claims the IOC needs steady leadership right now because its board members are all volunteers. "In the business model, there's the non-figure charges and the moral behavior," Pound says. "In an organization like ours, the stability of the leadership is important because we don't work with each other every day. The executive board meets five times a year, and the members meet only once a year."

But Samaranch's continued presence reinforces the fact that, for all its public profile, the secretive IOC is completely unaccountable. And the longer he stays, the more polarized supporters—such as Pound—will be linked to the corrupt Old Boys club. Even without graft, they enjoy plenty of perks, and the membership's exorbitant travel expenses have become a flash point for critics.

Still, surveys indicate that companies will turn over more about the Games than about other sporting events because of the association with Olympic integrity, a main reason that new sectors as taxpayers. Aware of the apparent hypocrisy, Pound says the IOC needs to institute dramatic and immediate change to restore public and corporate support. The first step is reclaiming the high ground ceded at a March 17 to 18 session in Lausanne, Switzerland, where the full membership will vote on the reforms tabled in last week's post-investigation report. "I don't think we measured upon this occasion," he says. "We will in future."

Pound is prepared to back up that claim. In addition to the six IOC members named in last week's report, three more—including Vitaly Smirnov of Russia and current IOC vice-president Hans-Joerg of South Korea—are under suspicion for collusion that, if proven, will result in their expulsion. Late in the week, Pound said "an indefinite number" of other members had been added to his continuing investigation. His report also recommended reforms to the host-city bidding process that would keep delegates from visiting candidate cities and bid committees from traveling to visit IOC members. And it called for the creation of an independent ethics panel to investigate future complaints against IOC members. It is

date of recommendations and reports do not get the two-thirds majority support from the full membership in March, Pound says he will resign. "My guess is that our whole committee would go, and the entire executive board would go," he explains, "because it was a unanimous recommendation."

Obviously Pound has the energetic, energetic manner of an *Iron Guard* hero, albeit one with a soldier's colander, who is usually known for his blunt and strongly held opinions. He is a detail guy who can also grasp the big picture, something he attributes to his accounting and legal training. "Both of those disciplines are essentially problem-solving," he says. "The legal one is also useful. I had, for conceptualizing." His two volunteer partners, meanwhile, reflect the value he places on and upon involvement with education and sports. "Both teach you that nothing comes without persistence," he says.

The more you work at something, the better you get. "There, putting on this picture, he turns and puts his index finger on a tiny square of yellowed newspaper that he has clipped from a paper and taped to his file beside his desk. Squinting, he reads a quote from, of all people, broadcaster Vidal Sarmiento: "The only place where someone came before work is in the dictionary." It was while studying at McGill that Pound got his first Olympic experience, assuming his first and broadcast for Canada at the Rome Games in 1960. Later, he became a nationally ranked squash player—"That was a moment of maximum over ability," he claims. He still plays squash, although it slowed by his schedule and by a nagging foot injury, and in summer he plays golf on Sunday at a club south of Montreal with his second wife, Julie, and thereby—he has three children and two stepchildren between 20 and 32. In his office, he points to a framed picture of his son, Damien, who is an RCMP officer stationed in Montreal. "I wish he'd looked up at his party last winter," Pound says, referring to the television going awry during his 2002 bid for Sochi. "He was blamed for the snowboarder's positive test for marijuana in the Nagano Olympics."

The snowboarder did even against the committee was disconcerting. Pound says, not surprising. "We had heard the rumours about IOC members on the take, but an over-reaction to that was the 'guy'." He says. Lately his Olympic duties have cut into his personal time and his law practice. But he maintains it is worth while, not just for his own satisfaction but for the broader impact of the Games. "It's just sound a little Polynesian, but finally think the Olympic movement is a force for good," Pound explains. "Good things happen when kids practice sport and when volunteers go to swim meets and act as trainers, and at the end of that goes on, then the Olympics have a tremendous impact on others." TV revenues clearly matter. Alan Clark, head of CBC Sports, says that even as the seasonal degree of last month, network sales will be selling at a record high for CBC's coverage of the 2006 Games in Sydney, Australia. Clark says bidding between his network and CTV over broadcast rights is completely transparent. "When you go to meet David, you don't go bearing gifts," Clark says. "It is very straightforward—you get the terms of the bid, and both parties know exactly where they stand."



HAPPY DAYS: Sarmiento poses with Calgary mascots Hedy and Howdy at the 1988 Games

The Salt Lake scandal and the IOC's slow response to previous allegations have left everyone with mud on their faces. But many inside the Olympic world, from athletes and officials to sponsors and TV executives, believe Pound may offer the Games' best shot at redemption. For one thing, he is not afraid to take unpopular positions. When Sarmiento eventually engineered another four-year term by staging a public vote in 1995 to extend the retirement age to 80, Pound was the only senior official to object. "He is willing at critical times to put philosophy above politics," says Ron Reed, the former Gray Canada who is now a Calgary-based broadcaster and marketing executive and who hasn't always seen eye-to-eye with Pound.

As for pushing through the necessary reforms, Reed adds: "Clark was the initiator and the training, and my sense is that he is not alone in this. There are other members who are equally committed to doing the right thing." Paul Henderson, who led Toronto's bid for 1996 and, says Pound, has earned his prominence by being, to use a sports phrase, the organization's "joke" guy. "He has done every tough job the IOC has had for years," Henderson says. "The avalanche was just this year's tough job."

Pound is again at odds with Sarmiento. The 70-year-old Spaniard told the German magazine *Der Zeit* last week that his successor ought to be a non-politician. But Pound strongly objects to that goal, saying the IOC already has a fully paid staff to handle day-to-day operations. "My view is that because you would be at the head of an essentially volunteer movement, I think you'd be more effective and believable as president if you're not being paid for it," he explained. "The further I would go to that, while you are serving, you only get your expenses reimbursed, but when you retire, you might get, say, 10,000 Swiss francs for each year of service, so provided, so that you wouldn't be low when you would have been able to take what you just worked."

There are no show-ups to succeed Sarmiento. In addition to Paul Schmidt, Germany's Thomas Bach and Belgium's Jacques Rogge are all considered worthy candidates. Pound, though, appears to have made the most enemies, particularly with South Korea's Kim and last week, another of the Salt Lake caudillos, IOC member Jean-Claude Gaudin of the Republic of Congo, banished at the prospect of the swarming of rich TV companies, and alleged that the IOC's investigations were sets



SOME REST FOR THE WEARY: Pound at home in Montreal with his wife, Julie, in 1995

ply trying to eliminate the competition in the fight to succeed Sarmiento. Both countries were notable digs at Pound, with headlines the biggest TV deals and is the leading contender for Sarmiento's chair. But Pound only shrugs. "Geeza," he growls, shaking his head, "wouldn't know a TV contract from a road map."

Jean Greener, an official with Quebec City's bid for the 2006 Games, says it is foolish to suggest that Pound sought the investigation for political gain. Because the process is already threatened to at least some members. "That could be like a Greek gift. He has the honor of Trog," Greener says of the job. Pound says he had no choice—Sarmiento simply appointed him and that was that.

Pound's forthright approach is often a liability in the highly political world of the IOC. Standing against Sarmiento in 1995 nearly cost him his non-political job in an election the following year—he won by just two votes over Abraham Katzar of India. Determining members at Toronto's 2004 committee briefed at Pound's suggestion that they rethink their bid in light of competing proposals from Paris and Beijing. That associate's say it is naive to think Pound will be a home. "There's no question in my mind that it comes down to something for Canada versus something for the movement as a whole, his first loyalty is to the movement,"

can Canadian Olympic Association's official said in the report. "And really, that's the way it should be." The unwelcome ethics commission, to be composed mostly of legal experts from around the world, will investigate bids from cities other than Salt Lake's. That will likely add to the IOC's roster of disgraced members, some of whom, like Gaudin, may not give up their posts quietly. "The standards of conduct within the IOC are fairly clear and I think the majority of members have a good idea of what's right and what's not right," Pound says. "I am hoping we are not going to have any trouble at the session in March."

Can Canadians embrace a graying tax lawyer in their new Olympic champion? He might well be the fourteenth equivalent of speed skater Catey Le May-Davis, another world champion. But considering the daily drip of scandal emanating from an organization in which Pound has held such a key position, there is also the risk that he might turn out to be Ron Johnson. If the reforms get resisted, the scandalous get expelled and the Olympic ship sails righted, Pound could emerge in the favorite to become the next president. That may happen sooner rather than later. There are well as the March meetings. "He doesn't want to have the end of his presidency marked by something like this," Pound says. "So I think he is determined to fix it. What he will do after he fixes it, I don't know—he has 25 years left on his term."

Does Pound actually want to succeed Sarmiento? He says he isn't always sure himself. "Some days I have absolutely no interest in it at all," he says. "Other days, I think that if you go to be in the arena, then maybe you could do some interesting things." Such as his shrugs—that's looking too far ahead, and he isn't about to show his cards. It may well be a moot point if the membership doesn't endorse the recommendations of the investigating committee next month in Lausanne. "I think that a considerable number of members who do not want the will resign, and that, I think, will make more sense than having some of the best guys around," he warns. "If the good ones say, 'We're out of here,' then it's not going to be a real party."

The more to resign under these conditions, what would his legacy be? "The TV deals? The marketing?" He says quietly for more than a minute. "I hope I am not at the stage of life when all I can do is remember," he says. "That maybe my legacy at that point—for leaving for that reason—would be that I left." □

## Pound 'has done every tough job the IOC has had for years'

## THE OLYMPIC GOLD MINE

How much will it mean to have the Olympics become? Revenue from the Nagano Winter Games of 1998 and the Sydney Summer Games of 2000 are expected to reach \$3.5 billion (U.S.). While corporate sponsors account for 30 per cent of that sum, the biggest contributors—about half of the total—is television. A rundown of the expected growth in TV rights fees.

### WINTER GAMES

(in millions U.S.)

1980	Lake Placid	\$21
1984	Sarajevo	\$83
1988	Calgary	\$25
1992	Albertville	352
1994	Lillehammer	559
1998	Nagano	919
2002	Salt Lake City	726*
2006	Undecided	805*

### SUMMER GAMES

(in millions U.S.)

1984	Moscow	\$381
1988	Los Angeles	287
1992	Barcelona	483
1996	Atlanta	595
2000	Sydney	1,372*
2004	Athens	1,427*
2008	Undecided	1,830*

\*WORLD FED. JOURNALISM BY DATE

## DIVIDING THE SPOILS

International Olympic Committee

10% Other Olympic revenue  
40% Olympic share of TV rights fees  
50% Olympic share of TV rights fees and other

Distribution of IOC revenues

# IT STARTS AT THE TOP

## Critics call for Samaranch to step down from the IOC

BY JANE O'HARA

In his nearly 19 years as the King of the Rings, chief Juan Antonio Samaranch has been a towering presence. Using a mixture of force and brains, he has maintained tight control over the 114 delegates of the International Olympic Committee—about 95 of whom he personally picked. In and December, when Marc Hodler, a Swiss IOC member, leveled allegations of corruption and bribery, Samaranch scoffed that those were "not official concerns"—and ordered Hodler, a 36-year IOC veteran, to stop speaking to the media. Last week, as the Olympic scandal of bribing and graft gathered steam, IOC members were asked to speak up to defend the committee president who insists on being called "Your Excellency." But around the world, a rising chorus of critics—sports officials, politicians and athletes—are demanding his ouster. "Mr. Samaranch is the conductor of the whole thing," Lars Engqvist, a member of the Fiden, Sweden, group that lost a bid for the 1998 Winter Games, said. "He is the one responsible for all his actions. They are all fed from his hand."

Last week, the 76-year-old Samaranch sternly maintained that the allegations of wrongdoing had taken him totally by surprise. That was nonsense, according to a group of Toronto businessmen who spent \$16.8 million in a bid for the 1996 Summer Games, which eventually went to Atlanta. Eight years ago, they sent a report to Samaranch and other key IOC officials including Greek chairman Richard Faudrill—claiming that the demands and some of 26 IOC members had cost them about \$800,000. The report, which called for reform in the bidding process, depicts the visiting IOC members as "settling kleptocracies feeding off the goodwill of their hosts."

Some IOC members received first-class airline tickets for cash. Others demanded outlandish gifts of "cash, jewelry or other items easily converted to cash," the report said. On shopping trips around Toronto, it added, "the bid-city host was expected to pay for all the purchases made by not only the member, but the guests as well."

At a news conference last week, Norman Siegrum, one of the Toronto bid officials, said that after the report was sent to Lausanne "we were not sure if Pissard responded that the IOC asked the Toronto bidders for the names of the judges—and never received them. IOC officials, he added, made some changes in response to the complaints; in particular, they took charge of travel arrangements to stop the practice of members pocketing money after cashing in first-class airline tickets for room and three



### FROM TRIUMPH TO TRIUMPHALITY

Tenbury, who won gold at the 1992 Games in Barcelona, called for the IOC to be restructured. Samaranch (left) maintained that allegations of wrongdoing had taken him by surprise.

Clearly, that wasn't enough to stop the other ideas on that have called the reputation of the 2002 Salt Lake City Olympics. According to American Robert Holmick, who resigned from the IOC in 1997 over his own conflict-of-interest charges, the shady practices have long been an open secret within the organization. It's culture, says Holmick, that has strangled competition on the needs of athletes and devoted itself after members' creature comforts. Holmick, still a doctor with the U.S. Olympic Committee, concluded "Nothing short of the departure of Samaranch and his close associates will allow the sweeping changes needed to restore public confidence in the Olympic Games."

The IOC, obviously, doesn't see it that way. By week's end, its internal cleanup campaign, headed by Pissard, had resulted in four resignations; five others have been suspended and recommended for expulsion, and "an indefinite number" of others, Pissard said, remain under investigation. Of the four who have resigned, three are African—and some observers were quick to cry racism. In Nairobi, Charles

Mukoni—regarded as a local hero for helping to establish Kenya as a dominant power in middle- and long-distance running—admitted that he received \$30,000 (U.S.) from Salt Lake City organizers. That he maintains that, far from pocketing the money, he used it to build a high-altitude training camp in his home town. Mukoni's Olympic secretary general of the Kenya Amateur Wrestling Association, and the expelled delegates were simply suspects for an organization "infected with wrongdoing from head to toe." Added Thawane: "The whole system is corrupt and Africa has been singled out for punishment."

That corruption has spurred some critics to action. A growing number would be Olympic hosts that have lost out in the past decade are now demanding their money

back—and are taking legal moves that could enrage the IOC in many costly and prolonged lawsuits. Last week, officials in Manchester, England, instructed city lawyers to explore the possibility of recouping the \$8 million (U.S.) they spent in a bid to win the 2000 Games, which went to Sydney, Australia. They are trying to coordinate their attempt with other losing cities, like Quebec City, which announced on June 24 that it will seek the \$12 million it spent before coming to Salt Lake City. "It is a violation of public ethics was unfair and corrupt," said Manchester city council member Richard Lewis. "This is the IOC should consider compensating Manchester and other bid cities."

The 2004 Summer Olympics have become particularly contentious. Margareta Olofsson, deputy mayor of Stockholm, announced plans to seek a refund at the \$24 million (U.S.) the Swedish city spent in a dubious attempt to secure those Games, which were won by Athens. Francisco Illera, mayor of Rome, announced also, asked for the appointment of an impartial committee to conduct an entirely new vote. "A panel of IOC experts

and athletes vote like the No. 1 spot on the list of candidates," Illera claimed. "Until 24 hours before the vote, we were in the lead. And then—who knows what happens?" Not surprisingly, the Roman suggestion did not find favor in Athens, where Lucio Lauro, head of the Hellenic Olympic Committee, responded: "The vote is closed. The Games were given clearly. The doors are open, the days are tied up, and they can come and examine whatever they want."

In an ironic twist, even Salt Lake City—which up to now has been at the eye of the Olympic storm—seems to have lost its IOC friendly commitments. In particular, officials there want to look back on the royal treatment expected by IOC members when they descend on the city for the 2002 Games. Ben Holmick, a Salt Lake official, said he has found \$50 million (U.S.) worth of IOC expenses "that would have your stomachs." The most egregious \$2.6 million for hotels where IOC members and their families will stay, including \$80,000 for Samaranch's suite and \$30,000 in lobby decorations, a \$1.5-million transportation system, including chauffeurs, \$60,000 in breakfasts, and \$14,000 for trailers at outdoor events as IOC members won't have to sit in the cold. Deflecting the controversy, U.S. IOC member Adlai Davis said last week: "Let's not assume the IOC is all take. We provide a lot of money to organizing committees."

Other Salt Lake media director for the 1988 Calgary Olympics, sympathetic with the falls from Salt Lake. Even now, 13 years after the Calgary Games, he is hired by the high and mighty demanding



LOOKING FOR SUPPORT: Crombie says the new rules may actually work in Toronto's favor.

them, John Hancock Mutual Life Insurance Co. president David D. Alonson, has said the IOC have made the spokeswoman "irradiate." Even if the sponsors don't balk and pull out, the scandal could scare off future bidders for the Games. Officials in Vancouver/Whistler, vying to host the 2010 Winter Games, and Toronto, bidding for the 2008 Olympics, publicly maintain that the new rules stand as paralyzing the bidding process may actually work in their favor. And last week, David Crombie, the former Toronto mayor now heading up the city's bid, tried to shore up dwindling public and political support for the Games. Crombie said the \$40 million now budgeted for the bid could be halved in light of the IOC's new rule changes, leaving its three leading members from visiting bid cities—and he reiterated his promise that the bid would be open and aboveboard.

In an atmosphere charged with suspicion, however, there were already questions. Last week, the Toronto committee paid \$32,000 to Montreal 13-Francisco, now living in a Toronto suburb, to show them the line and size of the Olympic suite. 13-Francisco is well

## HOW MANY WILL FALL?

Six men singled out by Pissard for expulsion from the IOC



Agustín Arcego, ECUADOR

Charles Makari, KENYA

Jean-Claude Ganga, NEPAL OF CONGO

Sergio Santander, CHILE

Zvonimir Boban, ABHOL GOLF, SLOVENIA

Norman Siegrum, MEXICO

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known to IOC officials as one of a number of agents and middlemen who made a living off of setting up bid deals to IOC members — lobbyists whom Pound has promised to put out of business. Cronkite cancelled B-Parmesan's contract in April after paying him for six months. "I didn't think it was going to be a lie," Cronkite told *Maclean's*. "This job, as far as we were concerned, ended. He had provided me with advice on which cities, at least from his own point of view, might be coming in to bid. What the views were of various people in various international sport organizations. So, in a sense, he completed his contract."

No matter how the Olympic scandal ultimately plays out, many athletes already feel cheated. Swimmer Mark Tewksbury, the 1992 Olympic gold medalist in the 100m backstroke, called a news conference last week to say that his Olympic dreams have been shattered, his mental devolved. He begged for Swanshick to resign and for the IOC to be completely restructured. "Steve Johnson," Tewksbury said of the disgraced sprinter, "didn't do anything worse than the

## A growing number of spurned cities want their money back

corrupt IOC members." Added Britain's Martina Campbell, a former Olympic short-distance runner, now a Liberal Democratic MP: "There's a danger the world will reach the conclusion that the Games are for drug-takers in track suits and heroin-takers in blazers."

Former Canadian speed skater Neal Marshall said the athletes had had neither the time nor the political clout to do anything about it. "On the one hand, it's nice that finally something has come to light," said Marshall, 29, a three-time Olympian and former world-record holder in the 1,500 and 2,000-m events. But Marshall, who now does TV commentary and coaches part time, said he wonders whether the current investigation is "just damage control." Looking out across the ice at Calgary's Olympic Oval, he added: "There should be a whole new investigation by an outside party. It can't be done with the IOC investigating itself." And, many critics insist, it can't be done with Jean Antonio Samaranch still in power.

With SHERRY CARLE in London, DAVID GOSCH in Madrid, MARTY NEMETH in Calgary, and JOHN NICOL and SUSAN MCCLELLAND in Toronto

COVER/ERRAT



**PROTESTERS' REACTION**  
Swanshick march in the opening ceremonies in Nagano

countries. Thanks to the program, African athletes received \$54 million in hardware between 1983 and 1988. The U.S. Olympic Committee, for example, provided English lessons for Mongolians and Russians attending the Atlanta Games in 1996, as well as airfare for Sudanese athletes to train at the USOC complex in Colorado. "There shouldn't be a rush to judgment here," predicts USOC spokesman John Morris. "The situation is a lot more complex than calling something a shoddy bribe."

The same argument could perhaps be made for the two \$100-million offers of athletic aid to two IOC members on the night before Sydney, Australia, won the 2000 Summer Games. The situation in that case is even more complex than calling something a shoddy bribe.

Some argument could perhaps be made for the two \$100-million offers of athletic aid to two IOC members on the night before Sydney, Australia, won the 2000 Summer Games. The situation in that case is even more complex than calling something a shoddy bribe.

## BUSINESS AS USUAL

BY ROSS LAVER

Eleven years ago in Seoul, Canadian sprinter Ben Johnson became the recipient for drug-enhanced athletes everywhere. Now, it's Jean Antonio Samaranch's turn to take the fall for an Olympic movement that is so doped up on TV revenues and sponsorship dollars that it's a wonder anyone has any time left for sport.

Like Johnson, Samaranch deserves to be censured. The current controversy, in fact, prove to be his undoing as president of the International Olympic Committee. That getting rid of the 79-year-old Spanish marquis will not wash the stench of greed and conservatism from the Games, say more than enough. Johnson of his gold medal, solved the problem of drug use on the track, in the pool and in other Olympic venues.

The reason is obvious: The Olympics, like it or not, are a business. Billions of dollars are at stake, primarily because world and money-hungry broadcasting executives have fallen over themselves in the rush to cash in on the public's appetite for televised spectacle. And with money comes corruption—sometimes obvious, often rather petty. Free flights, lavish entertainment, the occasional grand prize? Isn't that how business is done around the world? Why should anyone imagine that the Olympics, the ultimate worldwide marketing opportunity, would be any different?

What's surprising is how small-time many of those so-called bribes actually were. Former IOC official Pyro Haggman of Finland resigned his position recently when it became known that he and his then-brother had lived rent-free for 20 months in a small house in San Jose, Calif., not exactly a popular destination for the world's jet set. The organizers of Salt Lake City's bid for the 2002 Winter Games amassed few savings

## What's surprising is how small the IOC bribes actually were

and university scholarships for relatives of elite IOC members. During Quebec City's unsuccessful campaign to land those same Games, a visiting African delegate boasted that his country would appreciate a few thousand dollars' worth of new exercise equipment for a gym built with aid from the Canadian International Development Agency.

In the Quebec City case, the organizers decided to go along with the delegate's request. But it's unclear whether, had they complied, they would have been doing anything wrong. As part of a program called Olympic Solidarity, the IOC actively encourages donations of humanitarian aid, sports equipment and athletic scholarships to poorer

countries. There's less an irony than that the reputation of the IOC has been sullied, pressure is building for a complete overhaul of the committee and its procedures. And who will wield the most influence in the debate over the future shape of the IOC and the Olympic movement in general? Will the sponsors? Will the networks, of course, by virtue of the fact that they put up most of the cash. Behind the new moral exemplars of the Olympic Game, Madison Avenue and some TV industry hitlists. □

# DISTURBING THE PEACE



BEWARE OF THE JUNGLE  
DANGER OF THE LOCAL RESIDENTS  
ABANDON ANY THOUGHTS OF  
FURTHER GAS & OIL EXPLORATION  
IN THIS AREA!  
Laissez-aller

Oil, gas and the environment produce a potent mixture in Peace River country

BY BRIAN BERGMAN

With her long greyed hair and gruff smile, Marie Ludwig has a maternal bearing befitting a woman who has given birth to 11 children and is now helping raise 15 grand-children. It is an image quite at odds with that of her now infamous husband, Wilho, who looks and often sounds like an Old Testament prophet brought back to earth the night before Wilho in jail last week after being charged with allegedly helping to orchestrate the latest salvo in an eco-terrorist campaign against northern Alberta's oil and gas industry. It was left to Marie to defend the family cause—and she did so with a ferocity that confirmed suspicions that he was deserving. "If you are someone about to rape your daughter or kill your kids, you have to do something to stop them," she told *Maclean's* weeks not near the head of a long, non-drenched kitchen table surrounded by a dozen family members. "You try to stop them with reasonable force and the least amount of damage possible."

Such rhetoric is common these days in the Peace River region of northwestern Alberta, an area that has been rocked by more than 100 incidents of vandalism, shooting and bombings directed at the oilpatch over the past 2½ years. And the bomb statements are not restricted to the Ludwigs, a sprawling clan who live in a dilapidated two-story house in a quarter-section of rural farmland in the Thistle Creek farm, near Hylton, Alta., 500 km north-west of Edmonton and 40 km east of Alberta's border with British Columbia. Talk of sabotage and guerrilla warfare trips easily off the tongues of local farmers, businessmen and oilpatch workers. It all seems slightly surreal in what was, until quite recently, just another quiet corner of rural Canada, the sort of place where everyone knew their neighbours.

And thought they knew their neighbours' homes. Now they are not so sure. "When you go to church, you don't know if the guy sitting next to you is an eco-terrorist or what," says Alex McDonald, who runs a grain farm near Grande Prairie, the retail and service hub for the Peace River region. "You just don't know."

The wave of outrage only deepened last week during a court hearing in Edmonton to consider whether Wilho Ludwig and Richard Boosters, whose family also lives at Thistle Creek, should be granted bail. The two men were charged on Jan. 15 with nine counts of conspiracy and mischief, including destroying property, between Sept. 1 and Nov. 30, 1996. A provincial court judge in Grande Prairie had earlier denied them bail, citing, among other things, the potential danger they posed to society. But during last week's hearing, Crown prosecutor Steven Koval confirmed defence allegations that the RCMP and the Calgary-based Alberta Energy Company had conspired to blow up a strike at a gas well on Oct. 16 in the Hylton area in a bid to help a police informant establish his credibility with the alleged eco-terrorists. The AEC, which had long by disavowed earlier attacks on its facilities, acknowledged it took part in the covert action, dubbed Operation Calico. "When you are asked to co-operate by the RCMP in the conduct of their investigation, you co-operate," said Dick Wilson, the company's public affairs director.

Despite their conviction, Ludwig and Boosters were again denied bail. Court at Queen's Bench Justice Paul Beldi said he was "extremely concerned" by threatening comments Ludwig has made to the media—including one in which he boasted about abating the threat of AEC president Guya Hanson. Marie Ludwig, who also told the court hearing, said it simply proved that the oil industry and the justice system were out to get her husband. "He's a political prisoner, that's what I call him," she said. But among the Ludwigs' closest neighbours there was palpable relief that the bombing suspects remained in custody. "If they got out, it would be a scary thing for us, because Wilho would have been mad," says Gisela Siverson, who lives with her husband, Erik, and their four young children on a grain farm two kilometres east of the Ludwigs' house. Adria Rob "We shouldn't let them remain in our homes, our own backyard—in Canada, that's just not right."

The drama unfolding in northwestern Alberta is just the latest of the most extreme examples of the kind of tensions that have long existed between the province's politically inflexible oil and gas industry and many of the backwoodsmen and residents who live in close proximity to production sites. One keen source of friction is the industry practice of flaring, whereby unwanted natural gas is burned off. A recent Alberta



Marie Ludwig (left) site of Operation Calico: eco-terrorist and a deepening sense of intrigue



Marie Ludwig (center) with family members, calling her husband a 'political prisoner' at the mercy of the oil industry and justice system

Research Council study found that over 250 chemical compounds may be released when gas is flared, including known carcinogens such as benzene. The Ludwigs blame flaring, as well as leaks from early wear gas wells (those containing potentially lethal hydrogen sulfide), for a wide range of ailments at the family farm, including three miscarriages and a stillborn child.

While those claims remain unproven, environmentalists point out that, given the rapid pace of oil and gas development in northwestern Alberta, it would not be surprising if some health problems—including cancer, respiratory ailments and even autism—followed in its wake. Observes Rob Macintosh, policy director of the Frontier Institute, a respected oil industry watchdog group based in Drayton, Valley, Alta. "Look, I'm in no way condoning violence as a way of advocating policy change, but these people have some very legitimate complaints."

There is little doubt that the oil and gas industry has radically transformed the Peace River region. A measure of boreal forest and grassland, the area was once Canada's last frontier, where three generations ago hardy homesteaders staked out some of the province's northernmost irrigating farms and cattle ranches. By the late 1930s, it became clear that these were pretty rolling lands with no better soil pools of natural gas. Resource exploration intensified, with oil and gas wells, their stacks, processing plants and pipelines blanketing the landscape. Tanker trucks now roar down rural roads where the biggest trail of their kind used to be the occasional meandering cattleman. And many younger farmers, discouraged by low commodity prices and generally feeble weather, have abandoned the fields for more lucrative and secure jobs in the city.

Duncan Cameron, a recently retired farmer from La Glace, about 50 km northwest of Grande Prairie, has witnessed the changes firsthand. "It used to be so quiet," says Cameron, whose mother's family first arrived in the Peace in 1913. "You could go onto your back step in the evening and enjoy it. Now, all of a sudden, there's big tractor convoys, heavy equipment being moved and oilmen passing. It's all changed so completely, and some of us just can't quite accept it."

One who certainly falls into that category is Wilco Ludwig. The Dutch-born farmer prospered arrived in the area along with

#### SPECIAL REPORT

Bonesteel and their respective families in 1965. For Ludwig, it was a time of considerable personal and professional turmoil. Six years earlier, he had taken over a Christian Reformed church in Goddard, Ont. He quickly outgrew many of his congregants with his worshiped sermons and penchant for excommunicating those who disagreed with him. In 1963, Ludwig lost his lecture to preach in the Christian Reformed Church and responded by forming his own congregation, known as the Church of Our Shepherd King. By the following year, he had again deserted most of his followers, with the notable exception of the over-80 Bonesteels. With the purchase of the first new Rhyte, which they dubbed Trickle Creek, the Ludwigs and the Bonesteels had begun to start anew. Appalled at what they saw as the chaos and insensitivity of modern society, they determined to live apart from it as much as possible in what Marie Ludwig describes as an attempt to "re-establish the basic Christian family," with Wilco as their patriarch. Self-sufficiency was another goal: the families raise goats for milk, keep bees for honey and wheat, and grow grains, vegetables, fruits and herbs for sustenance.

For the farming families who live nearby, the newcomers were an immediate source of curiosity—and gossip. The women at Trickle Creek all wear colourful bonnets on their heads, a biblical tradition that signals submission to their husbands. The Ludwigs' eldest sons, Ben, Bo and Fritz, married the Bonesteel's eldest daughters, Kara, Dana and Renee, and now have families of their own. The younger children and the grandchildren are all born scheduled to shield them from what Wilco Ludwig views as the wasteful of the public education system.

What little contact his neighbours had with the Ludwigs in the early days proved unsettling. Rob-Everson recalls Wilco Ludwig dropping by when he wanted to pull a wheel out of the ditch or wanted help with the Ludwigs' arable crops. The encounters were abrupt and merely pleasant. "He's very smart, but basically he's a bully," says Everson. "He relies on the fact that he's an immediate boss."

Ludwig's abrasive side came to the fore as the drilling drew closer to home. When

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A high-angle, black and white photograph of the interior of a Volvo S80. The view is from the passenger side looking towards the driver's seat. The leather seats have a quilted pattern. The dashboard, steering wheel, and center console are visible. Sunlight streams in from the windows, creating a warm, slightly hazy atmosphere. The Volvo logo is visible on the steering wheel.

VOLVO

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The bombings also provoked Ludwig's closest neighbours to publicly dissociate themselves from his cause. The diversions dissipated a letter, signed by all but one of the 21 families in the vicinity of the Trickle Creek farm. It stated that none of them had experienced the grievous health problems that Ludwig attributed to the oil and gas industry. A second petition, signed by more than 1,000 Pease residents, called



operators are questioned

Neighbour Shield Evening: courses are delivered

planned that many of his cattle will sick and die following a 1994 severe flu. An Alberta Agriculture study released in November confirmed that the flu appeared to affect the cattle's health.

The industry has taken some steps to try to allay public anxiety about possible health hazards—concerns that were only briefly alluded to last week after what appeared to be an accidental explosion at a gas leak in Taylor, B.C., just across the border from Eirthe, injured 13 workers and killed the excretion of more than 1,000 residents. Last week, the Canadian Cancer Association and the Petroleum Producers Association met in place that was attended by 25 people. In the fall of 2001, Dr. CAPP president David Manning says it did so for "concerned and public relations reasons," and not because of any suspected health risks. "There are no studies that we as anyone else has done that have demonstrated any link between flaring and human or animal health," says Manning. And while the local environmental debate rages on, the oilfield itself remains calm. Peace River residents would like to see the industry "70 per cent" of the way, says Manning, but he can't be too sanguine. "We're not a Peace River Mayor," he says. "We're a community already in place, that is a whole ball of wax of what it is."

# MONEY CONCEPTS



The randomness of the vandalism and the looting has taken the greatest emotional toll on those who work in the Peace River slupch. Companies have hired extra security guards and insist that employees remain in constant radio communication while keeping remote well sites. Anxious telephone calls are exchanged several times a day between field-workers and their spouses, if either party is not where they said they would be at a given time, the authorities are notified. "There is a level of frustration about who we have to get up with this," says Lutz.



# OIL'S NOT WELL

SPECIAL REPORT

## Even in the new Alberta, the price of fuel exacts a toll

BY JENNIFER HUNTER

It's noon at the staid but venerable Petroleum Club in downtown Calgary. The lunchroom buffet is splashed across the centre of the dark-paneled McMurtry Boats: steaks of plump, peeled shrimp and thick sliced smoked salmon, platters of devilled eggs and chickpea salad, marinating-coriander bean pie and roast turkey meat, carved by the white-haired chef at the end of the table. The place is three-quarters full, not bad for a Monday, and the buzz among the oil nobles—mostly men—is about buying moose and doing mergers. There are no smiles and banterous greetings. One would never know there was real trouble in the oilpatch.

"You can hardly get in here for breakfast," says Jim Grog, chairman of Canadian Hunter Exploration Ltd., who is ensconced at his usual table right across from the steaked salmon. "The surprising aspect of this story is how little impact it is having in Calgary. In the States, we were a nose-borne town, maybe two hours, if you count agriculture. Now, we're a nose-borne town." Yes, Calgary has diversified, and yes, there is less reliance on oil and natural gas for the city's prosperity than there was a decade ago. But sustained low prices for crude oil—which have hovered at around \$12 (U.S.) per barrel of West Texas inter-

mediate crude since last November, far below the \$25 considered to be a comfort zone for Canadian oil companies—are exacting a big toll. "Calgary is still fundamentally an oil town," says Barry Haghighi, a partner with Arthur Andersen LLP. "At the end of the day, when the price of a barrel of oil falls, if the oilpatch is down, your revenues are down." David Manning, president of the Canadian Association of Petroleum Producers, says, "There is no question the industry is struggling. The issue is not how low the price of oil goes, it's how long it stays there."

The problem is the glut in the supply of oil coupled with a decrease in demand—caused chiefly by increasing production from some Organization of Petroleum Exporting Countries, warmer winters and the crash in the Asian economies. Every day, there is another announcement from Canadian oil producers of layoffs or cutbacks. Last week, Canadian Occidental Petroleum Ltd. (OIL) was letting 112 people go. Ranger Oil Ltd. recently waved goodbye to five vice presidents. Amoco Canada Petroleum Co., whose Chicago parent just merged with British Petroleum Co. PLC, announced on Jan. 26 it was cutting 375 jobs. Amoco Canada president Joseph Bryant told *Maclean's* the decision was painful. "We had to let go the best of the best," he acknowledged,

but "in a commodity business, the winners are the ones with the lowest cost structure." More layoffs are likely to come, he concedes. "We've already gotten so many cuts out of the system. We're going from 5,600 employees to 3,200 and now to 1,900." The president of Petro-Canada, Jim Stanford, says as his company wades off assets, the number of employees will continue to shrink—it has already moved from a high of more than 12,000 in the early 1980s to just more than 5,000 today.

The layoffs were accelerated by the dismal 1998 year-end results for most oil companies. Petro-Canada Petroleum Ltd., one of the largest players in the oilpatch, reported a gross profit drop of 65 per cent to \$130 million from \$330 million in 1997. Petro-Canada's profits fell by an astonishing 68 per cent to \$26 million from \$306 million at the end of 1997. Imperial Oil Ltd. said its earnings had dropped to \$554 million, from \$847 million the previous year. Share prices have plunged, too, making it harder for oil companies to raise money on the stock market—the Toronto Stock Exchange oil and gas index has fallen 34 per cent since last April from a high of 6,753.39 to 4,439.44 last week.

Besides reducing their work forces, companies are slashing their exploration and development budgets and their capital expenditures. Ranger Oil is cutting capital spending by 34 per cent to \$230 million. Amoco's cuts "will be very large," says general counsel Bryant, who was reluctant to be more specific until pre-tax results are reported in February. Petro-Canada is lowering its capital spending by \$300 million over the next two years. Like the others, Petro-Canada is buying selling off assets—in the early 1990s, it sold 550 properties in Western Canada, and today it holds 120. Drilling for oil has slackened off considerably throughout the industry, even though winter is traditionally the busiest time of the year. The Canadian Association of Oilfield Drilling Contractors says 395 rigs are working today out of a fleet of 565. "There could be 100 more rigs running right now if oil prices were at \$15," says Don Herron, managing director of the association. "With 35 workers at each rig and 50 workers in related services, that means 7,500 do not have work."

They cannot hope to be rehired anytime soon. Craig Lange-

ran, an energy analyst with Pricers & Co. Ltd., says his firm forecasts 7,000 holes will be drilled this year, compared with just under 10,000 in 1998. Oil prices are expected to stay low at least until the fourth quarter, so spending cutbacks will continue—even though there is little left that can be chopped from companies' budgets. At David Turner, president and chief executive officer of Petro-Canada, says, "Oil companies cut so much in the late 1980s and 1990s that today there are fewer cuts left to make. There is less elasticity."

It is true that this period of prolonged oil price decline—from an average of \$20.59 (U.S.) per barrel in 1987 to below \$15 last year—has been a little easier to cope with than the downturn in the 1980s, when oil prices were knocked from \$28 a barrel in 1985 to less than \$10 the next year. Then the price of gas, which was, too, and companies, which were highly leveraged, began to deteriorate badly. "In those days, we were feeling really besieged," recalls Stanford of Petro-Canada. Notes Calgary Mayor Al Duyn, "At that time, we weren't really for the oil patch. We were predicting \$50-a-barrel oil prices and there was a construction boom like you'd never seen. When prices collapsed, everything collapsed. Buildings weren't completed, people left town." That period, said Manning of the producers' association, "was a wakeup call for the industry. It contained itself. This time, we were better prepared for the tough price environment." Turner of Petro-Canada added that "this time no one is using the word 'hoop'."



Stanford: layoffs are likely to continue

After the last oil price collapse, companies such as Petro-Canada, Petro-Canada and dozens of others began an intensive restructuring exercise. In Petro-Canada's case, the goal was to whittle down a massive 1990 debt of \$23 billion. "In those days, we had a debt-to-equity ratio of 160," Stanford said. Besides selling assets and shrinking its workforce, Petro-Canada has begun to shift some of its focus to gas, where profits are now easier to come by. (The average fieldgate or selling price in 1998 was \$3 per thousand cubic feet, not expected to go higher this year.) "We have to keep re-evaluating what our business is," Stanford says. At Petro-Canada, which has the largest oil and gas holdings in Western Canada and whose majority shareholder is Canadian Pacific Ltd., the company broke itself down into nine smaller units. Turner explained that managing such a large entity had become unwieldy. About 150 people were laid off as Petro-Canada shored up its exploration projects in Western Canada and upped its production of oil and gas. The company used to produce one-third gas, but now the split is 40-60.

Turner and other oil executives say the problem of low oil prices is mitigated by a low Canadian dollar, improved technology—which makes it cheaper to recover oil—and reasonable gas prices. "The brightest spot certainly has been the Canadian gas business," remarks Bryant of Amoco. "That's the good news. The bad news is that while Canadian gas prices are stronger than they were, they still are not what you would dream about. They still have tremendous potential that would make us feel better." Warm winters and a slight gas glut are preventing a leapfrog for price in gas. Those factors, coupled with continuing low oil prices, will continue to depress oil company revenues and will have a major impact on power firms. "Certainly if you're producing under 500 barrels a day and you have paid the oilfield tax

## THE PLUNGE IN PRICE

The cost of crude oil is expected to stay low through 1999

Average annual price in U.S. dollars per barrel of crude



## Calgary learned from woes of the past

But there are fewer cuts left to make

### SPECIAL REPORT

very risky," said Rick Baber, senior vice-president and energy analyst at PricewaterhouseCoopers. "The key is, what are the basics going to do? At this stage, nobody knows. Are they going to stick with the industry or are they going to force change to happen? We don't know for a couple of months." Says another observer, who asked not to be named: "The banks are harried that they've been sucked into lending to these guys. Each of them has \$20 million to \$30 million worth of debt. The banks are just trying to get these guys back to market or sell their assets."

That explains all the buzz about mergers and acquisitions at the Petroleum Club. "Networks and contacts are really important in this business," says Jim Gray. It takes it much easier to find a buyer for a delinquent company. For the first nine months of 1998, there was \$28.3 billion worth of merger activity in the oilpatch—\$2 billion more than all of 1997. And it is likely to increase, says Baber, as companies look for ways to cut costs and keep growing. "Even the big companies will see some action, maybe more mergers."

But it is not only the big players like Ikon and Mafco or BP and Amoco marching down the road. At the Petroleum Club, Gray skips to greet Bill Davis, who is sitting at a table in the corner of the McMillan Room. Davis is the president of a 10-year-old junior oil company, Search Energy Corp., and he says Search Energy, with its healthy balance sheet,

as on the prowl to acquire other companies—ones having a tough time coping with debt, those calls those companies "junk papers" and adds that Search Energy is eager to effect a cure through a merger. "I believe that crisis equals opportunity," Davis says. "We've worked hard to get our own company into a position where we will be among the hunters, not the hunted." Gray adds, "It's the little guys who are the most resilient of all. They've been up and down and up and down, but they'll be back."

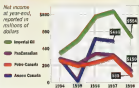
That kind of optimism seems to characterize the mood in Calgary and throughout Alberta, even in these days of paltry oil prices. "People don't seem to be worried," says Daron Platt, mayor of Lloydminster, a community of 38,000 about 254 km east of Edmonton on the Saskatchewan border. "They say they are used to the oilpatch now going up and down." Lloydminster, in fact, is experiencing a small building boom with two new schools and a Wal-Mart going up. "The last Christmas the manager of the local mall was all down and frown," Platt says. "But they had a very good month. Revenues were up 28 per cent. Unbelievable!" In Cold Lake, 240 km northeast of Edmonton, Mayor Hans Thalesen says having an air base in his community of 12,700 "kind of balances the impact of falling oil prices." A new hotel has been built, a car dealership is popping and so is a grocery store.

"Falling oil prices are significant, but they won't be the body blow to us that they were in 1986," says Alberta Treasurer Stephen Day. In 1986, he notes, 50 per cent of all the province's corporate income tax was gleaned from oil and gas. Today that has slipped to about 22 per cent because of diversification. Calgary has encouraged a high tech industry and become an important transportation hub, a town near Lethbridge will be home to a McCain Foods Ltd. potato processing plant. Edmonton has attracted companies such as Pitman Canada, a heavy equipment firm. "There is a broad base of new hi-tech and green financing and high tech," Day says, "so we are able to weather the downturn."

The Alberta economy is expected to grow by about two per cent this year and while oil revenues will be lower than predicted at about \$480 million for the 1998-1999 budget year, gas revenues will increase to \$1.5 billion from the forecasted \$0.2 billion. Day explains, "The government has also allowed a \$400-million cushion to balance any falling revenues." In the late 1980s, Day recalls, "when the oil and gas sector was going through rough times, there used to be a bumper sticker that read, 'Please God let there be another oil boom and I promise not to pop it all away this time.' We all chuckled at it, but the private sector and the government did learn some lessons."

Still, economists such as David Tuer and Jim Stanford say the prolonged line of oil prices and merger activity will radically change the nature of the oil and gas business in Alberta. "Who will be the new players?" Tuer asks, then refers to the group of Texas-based mergers. "Mafco is a big First Coast player. Exxon Imperial was a heavy oil player in Western Canada. Will the new company see its future in the tar sands and the further exploration of Cold Lake or will it focus on offshore exploration?" Stanford asks the word metamorphosis to explain what is happening. "It changes who you define as your competitors," he explains. "It will change the dynamics and the focus of the industry." Tuer allows that these are indeed, interesting times, but cutbacks and corporate reorganization have been very trying. "Surviving gone through a year and a half of interesting times, I am beginning to think of it as a matter of course," he states. He and the others can only hope the lull of low oil prices will be a temporary one. Meanwhile, they can always find a sympathetic ear at the Petroleum Club. □

## THE PROFIT PICTURE



## HAVING A LITTLE TROUBLE QUITTING SMOKING?



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# IN SEARCH OF SOCIAL UNION

BY CHRIS WOOD

Perhaps it was the rain that began Thursday morning in Victoria and continued through most of last week's meeting of cabinet ministers and senior mandarins from Ottawa, the 10 provinces and two territories. Perhaps it was the headline—a wife-beating meeting: most handshakes between a weak shore and an independent. Or maybe it was the ghost of an earlier meeting in the B.C. capital, in 1997, when a federal-provincial agreement seemed at hand—only to slip away a week later when then-Quebec premier Robert Bourassa backed away from the Victoria charter, as it was called. Whatever the cause, by the time 30 days of talks ended last weekend, the momentum that had appeared to be building for Ottawa and the provinces to forge a new framework for co-operation on national social programs, had slowed. In the end, provincial reactions to inter-governmental affairs and Ottawa's point (despite the title, federal Justice Minister Jean McCallum, went home able to agree only that, in many key areas, they still disagreed. "We have made some significant progress," McCallum insisted. "But there is still more work to be done. As I've said before, there are no magical deadlines."

But there was no mistaking the fact that last week's conference did not make the advances many had hoped for when the process began. Saskatchewan intergovernmental affairs minister, Bernard Wiers, who co-chaired the talks with McCallum, acknowledged as much. "The good news is we're down to the details," Wiers said. "The bad news is we're down to the details." And despite working sessions that lasted until midnight on Friday and ended at 5 o'clock on the scheduled third morning of talks, by the time discussions ended at noon on Jan. 30, some parties insisted they had seen little progress at all. On Quebec's key issue of maintaining Ottawa from spending in areas of provincial jurisdiction, that province's intergovernmental affairs minister, Joseph Blais, fumed. "I have not seen a collective of movement. I fear Madame McCallum has a mandate not to budge on that question—and as long as the federal negotiator does not move at least a little on this, we won't accomplish much."



Health care in Ontario (left); shifting in Nova Scotia: a thorny question of jurisdiction

## Ottawa and the provinces inch towards a deal



If the talks ended without result, they also managed to avert a complete breakdown. Both federal and provincial participants left Victoria promising to meet again late this week in Toronto, with even Blais saying, "I haven't given up yet." But the inability to reach a deal in Victoria lessens the chances for an agreement before federal Finance Minister Paul Martin presents his budget on Feb. 10—raising fears among some provinces that Ottawa might use the budget to launch new social initiatives, such as a national home-care program, that could make a deal on the social union even more difficult. While companion talks have also been under way on a parallel health accord—aimed largely at assuring Ottawa that any new money transferred to the provinces for health care will actually be spent for that purpose—the negotiations on a new social union framework were never likely to have a dramatic or irreversible impact on most Canadians' lives. They do not, for example, encourage any specific new social programs. Even so, the negotiators' inability to close a deal in Victoria takes some of the heat out of what may have viewed as one of the most positive trends in federal-provincial relations in a decade.



McCallum: some momentum in the continuing negotiations for a new framework for social spending

The talks have their origins in the Calgary Declaration—a provincial oath to Quebec concluded in September, 1990. Along with offering to acknowledge Quebec's "unique character" within Confederation, that declaration contained a promise by the nine provinces to work toward an end to decades of friction with Ottawa over social programs—such as health and higher education—most of which rely on federal funding but are delivered by the provinces. The initiative received a boost in December that year, when Prime Minister Jean Chrétien and Saskatchewan Premier Roy Romanow, who are old friends, discussed the idea. Shortly afterwards, Romanow took the lead in convincing other premiers on their support for the notion, while Chrétien assigned McCallum, regarded as one of his most able ministers, to represent Ottawa.

The talks moved briefly through last year. In August, they appeared to take a jump forward when Quebec Premier Jacques Charest joined other premiers in Saskatoon in taking a position paper which, for the first time, presented Ottawa with a united provincial front on the issue. Among the key elements was a demand that if Ottawa launches new social programs in the future, it must offer any province that establishes its own priorities in the same area its share of federal funding—a longstanding Quebec demand. Optimists peeked again last month during a federal-provincial meeting in Halifax, where McCallum delivered a preliminary draft of a federal offer to the provinces. It amounted to a promise to introduce no new shared-cost or conditional social programs (those for which Ottawa offers money to the provinces, but only if it is spent for specific purposes), unless a majority of the provinces agreed. As well, McCallum said Ottawa was prepared to offer financial compensation to any province that offered a program a la carte comparable to a federal initiative. The offer seemed to surprise the negotiators.

However, Fédéral insisted, "will want to be able to launch similar initiatives in areas of exclusive provincial jurisdiction. In any way, shape or form could we legitimate such intervention." By the time McCallum joined the talks—later than scheduled, as their second date was clear that considerable distance still separated Ottawa from the provinces. Breaking past reporters as she strode from the hotel where Ottawa's lawyers were staying, Premier Harris said steel-and-glass strains after the conference center on Friday, the justice minister said timely that the expected "brisk and candid discussion" and probably some hard bargaining. "By noon on Saturday, McCallum was forced to concede that a deal was not in the works—this time.

For some, there was at least a much reason to step back: lack of a deal in three was too much. That was particularly true for Quebec's social union pact. The province's social union pact could allow that for good of its federalism's sake. In Ottawa, meanwhile, Chrétien's powerful Ontario caucus has insisted turning any additional money over to the provinces without binding commitments on how it will be spent. Ontario Liberal MP Joe Tavares Premier Mike Harris would simply use any extra federal money to lower taxes—and make off with the political credit.

The Feb. 16 federal budget, meanwhile, will be closely watched for signs that Ottawa's bid for a second-term agreement is cooling. Quebec's fiscal upsurge in particular worried those who think steps on provincial loans could undo win-win programs has been made as the last fiscal. "The budget will be a decisive test of the government's good faith." But as negotiators packed up their papers and prepared to leave Victoria on Saturday, they insisted the social union talks remain on track—just moving more slowly than expected. For most Canadians, if there was little to discuss in the talks' failure to find common ground, there was nothing to celebrate either. ■

# Sydney's dangerous legacy

Residents confront a toxic nightmare

BY JOHN DeMONT

**D**ebbie Ouellette is right. Even on a bright, windy night, the air outside her bungalow on Frederick Street, in the working-class end of Sydney, N.S., is thick enough to make a visitor's spines neck and drag. The eyes fill with tears and a harsh, acidic taste settles deep into the throat. Today, Ouellette has avoided the smothering headaches that men had her convinced she suffered from a brain tumor. But she still wheezes subtly as she paces her way through the dark, talking of the defunct mine, the dross of neighborhood pests dying from cancer. And above all, the numerous, multi-medical problems plaguing the residents of Frederick Street, who live a chain-link fence away from a slew of toxic chemicals beneath an abandoned coal production plant. She stops near a small creek and aims her flashlight at the main left from the yellow, shampoo-like substance that sometimes oozes from the far bank. "That's arsenic—it kills people," she says. "Do you think if we were anywhere else but Sydney that people would have to live with this in their backyards?"

A century of dependence on steel and coal production has left its mark on Sydney and the rest of Cape Breton. The decline in world markets has contributed to an official unemployment rate in excess of 20 per cent—and more bad news last week, when the federal government announced it was pulling out of the Cape Breton Development Corp. That move would mean the closure of almost the island's remaining two coal mines, the privatisation of the port and the loss of up to 1,200 jobs. Ottawa's promise of a \$110-million compensation package, and another \$68 million for economic development, did not assuage local residents. But neither, so far, has the government's response to another legacy of the island and its isolation: the contamination of Sydney's air, water and soil.

Along with her neighbours, Ouellette, a mother of three, has heard Ottawa, the Nova Scotia government and the municipality trumpet the accommodations of understanding they signed last September—a commitment in principle to clean up the collection of those hotspots in the city that say



Mackenzie (left) and Ouellette: 'My friends are dying—something has to happen now'

optimism that signing ceremony generated among the politicians—like Nova Scotia Premier Ruess MacLean, who represents a Cape Breton riding, and his fellow islander Alastair Graham, a senator who sits as Nova Scotia's political minister in the federal cabinet—is not much to console among Sydney residents. Many of them long ago lost faith in governments of any stripe, on any level, solving their city's environmental problems.

Ottawa, after all, stopped spending significant money in 1980, when it shut down the \$23-million incinerator built in 1961 to burn toxic sludge. It routinely clogged up. Since then, the sludge has been left in the hands of the Joint Action Group, an organization involving 56 members and all three levels of government that is still for the most part

struggling with the question of how best to attack the mess. The latest agreement contained no firm financial commitments by any level of government to provide the \$8 billion it is estimated will be needed for the cleanup. With the price tag that high, much of the expectation falls on Ottawa. But the question is with Finance Minister Paul Martin and the other fiscal conservatives in cabinet: he willing to commit further funding to an area of the country that desperately turned its back on the federal Liberals during the last federal election. No wonder the party is still out about whether the deal was a break-through—or an elaborate photo opportunity. As Peter Mansueti, the NDP member of Parliament for Sydney/Victoria, puts it: "The only way we will see if the political commitment is there will be when it comes



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## CANADA

time to pull out the cheesebake."

In November, *Canada's* *Nat* Traveler magazine declared Cape Breton—home to the majestic Cabot Trail, gorgeous rivers and meeping highlands—the most beautiful island in the world. But beauty is not much in evidence in the middle of Sydney, a tough, scrappy city that is paying a terrible price for years of dependence on coal and steel. The old tidal estuary leading to the harbour is now the infamous Sydney tar ponds: bays of liquid that, according to government scientists, are so thick with 700,000 tonnes of raw sewage and toxic waste, including 40,000 tonnes of poisonous PCBs, that it places a person on stilts on the surface.

Yet the tar ponds, generally considered to be one of the worst toxic waste sites in North America, are only one sign of the acid trade-off Sydney has made for jobs. Upstream from the tar ponds, just west of Frederick Street, stands the abandoned plant where Sydney Steel Corp. once baked coal to make coke for firing its steel mills. Shut down since 1986, the 100-hectare site is polluted, scientists estimate, to a depth of 20 m, with tar, asbestos, light oils, benzol, ammonium sulphate and other byproducts from the plant's century of operation. And no one knows how many tonnes of toxics sit in the 160 km of unmanaged pipes still buried beneath the surface.

The picture is a grimmer farther to the west. Above the old coke ovens plant, crowded by a handful of rickety wooden houses, looms the city's landfill—60 hectares of waste, in places 60-m deep, accumulated after a century of uncontrolled dumping. "Sydney makes Love Canal look small and manageable by comparison," says Elizabeth May, resource director of the Sierra Club of Canada, referring to the 40,000-tonne toxic site in New Jersey that became a byword for chemical pollution in the mid-1980s. "It is a much greater risk to public health."

That, of course, infuriates many Nova Scotia's cancer rate is the highest of any province in Canada, and mounting evidence suggests Sydney may be the big reason for that. A Health Canada study released last September concluded that in industrial Cape Breton—Sydney and the surrounding coal and steel towns of Glace Bay, New Waterford and Dominion—the death rate from cancer and other diseases is 18 per cent higher than the national average. In November, a 1989-1995 study by scientists at Halifax's Dalhousie University showed that residents of Sydney had an almost 50 per cent higher risk of developing cancer than people



The tar ponds, generally considered to be one of the worst toxic waste sites in North America.

living in the rest of the province. Particularly striking, according to Judy Guernsey, the epidemiologist who headed the study, was the high rate of stomach cancer. (Other studies have shown a connection between exposure to polycyclic aromatic hydrocarbons—found in abundance in the sludge of the tar ponds—and stomach cancer.)

Generally, though, scientists have been unwilling to make a direct link between the toxic mess in the middle of Sydney and disease. Marcorer, in 1983, the Nova Scotia government—which owns Sydney Steel Corp.—asked the provincial department of health to conduct a study, which concluded that the cancer rate in Cape Breton was largely due to lifestyle. The report said Cape Bretoners were putting themselves at risk by drinking too much, smoking, getting too little exercise and eating unhealthy foods. All the same, Andrew Paterson, Nova Scotia's newly appointed commissioner for cancer care, has asked two respected Ontario researchers to study the incidence of cancer in the province.

Many Frederick Street residents say they already knew the answer. They had long suspected the coke ovens were making them sick. Any doubts were erased in May, 1997, when workers from the Joint Action Group, covered head-to-toe in white environmental safety suits, suddenly appeared and placed a sign warning "Human health hazard" on the fence around the site. That June, as part of the first stages of a cleanup, workers began excavating heaps of coal slag surrounding the plant. Suddenly, says Joanna McKenzie, a 12-year Frederick Street resident, it seemed as if everyone was fighting cancer: nose, ear and kidney infections and perplexing respi-

ratory ailments. McKenzie's daughter Michelle, who is 18, began passing blood in her urine; her husband, Richard, who had recently suffered a heart attack, was twice hospitalized for respiratory problems and put on oxygen.

Last April, McKenzie called a meeting of local residents, where Ouellette rose to speak about the yellow water that had recently appeared near the brook by her house. On May 3, after the residents demanded action, Environment Canada conducted tests that showed concentrations of arsenic 17 times higher than federally acceptable levels, as well as other chemicals. Nevertheless, last August, Cauton Environmental Inc., a consulting company hired by the Nova Scotia government, concluded there were no long-term adverse health effects from the chemicals found in the Frederick Street. Some of the families have since hired a lawyer to investigate the possibility of legal action. "My friends and neighbors are dying," laments McKenzie, one of those seeking legal action. "Something has to happen now."

Any long-term solution, though, is up to the Joint Action Group—and, by extension, Ottawa, which will have to fund most of the month-long cleanup. Carl Buchanan, chairman of the action group, says trying to pin the government down to a particular level of funding would at this point be a mistake, since no one yet knows how large the total bill will be. But Buchanan has confidence that the money will be there. "We have no reason to think we have anything but full backing," he says. Among worried Sydney residents, there is considerably more optimism—especially after decades of enduring the toxic mess in their backyards. □

\*MSRP. EXcludes taxes, license, freight and delivery. Dealer price may vary. See dealer for details. ©1998 Land Rover Canada Inc.

# Calling off the feud

A noted doctor returns to her job at Sick Kids

On all sides, the relief was obvious. Last week, the poisonous, 2½-year feud that pitted internationally acclaimed blood researcher Dr. Nancy Olivieri against the privilege and power of Toronto's Hospital for Sick Children ended in a face-saving compromise. Olivieri, who emotionally refused to back down in the dispute over the safety of an experimental drug she was testing, was demoted on Jan. 7 from

the two emphasized the importance of Olivieri's research and advised the hospital on the best way to resolve the dispute. That according to Clayton Ruby, one of Olivieri's lawyers, "Prichard was the guy who made it work. He kept negotiating to everyone's better natures." Characterizing the conclusion as "unprofitable and heart-breaking," Ruby predicted that the worst power struggle involved has an "allegation they feel

collaborate—doctors Brenda Gellie, Helen Glass and Peter Dorne—in reminding them of the hospital's bylaws on communicating with the media without prior approval. Prichard said that, while such bylaws might be relevant in another situation involving the hospital's communications with the public, the letters were "fully appropriate and well-timed" in Olivieri's case and had "absolutely no place in trying to suppress debate and dissent." But the "defining issue" during the negotiations, he said, really revolved around preserving Olivieri's research program. Added Prichard: "This hospital literally saves the lives of thousands of children every year and Dr. Olivieri's work is of international significance. The worst thing for a researcher is to be spreading all her time on a distraction like this."

For both sides, there will be much to gear up in. In late 1995 and early 1996, Olivieri



Olivieri at the Hospital for Sick Children: a settlement intended to repair a badly frayed relationship

her position as head of the haematology program at Sick Kids. In exchange for the reversal of that decision, Olivieri, who is also head of a similar program for adults at the Toronto Hospital and a professor at the University of Toronto, agreed to move her office from Sick Kids to the Toronto Hospital next door. The move ends rumors that Olivieri, who is looking for a cure for sickle cell anemia and thalassemia—genetic and usually fatal blood disorders—will continue to have full responsibility for the care of about 450 children and adults at both hospitals. Olivieri, 44, is clearly relieved that she has her job back and that both she and the handful of colleagues who stood by her can put the incident behind them. "The pressures and the harassment were very clinical," she says.

If the high-profile scandal was unusually scrutinized and protracted, its resolution was stunningly swift. After the decision, the University of Toronto Faculty Association—essentially the professors' union—called an University of Toronto president Robert Prichard to step in. During a question-and-answer session last week in his spacious offices, the two sides remained in separate rooms with their lawyers while Prichard, the university's lawyer John Murray, and two world-renowned experts in blood disorders shuttled between them. Throughout the day and evening of Jan. 26, advice from David Nathan, head of Harvard Dana-Farber Cancer Institute, and David Winkler of the University of Oxford, became a crucial part of the three-page agreement that was finally signed at about 1:30 a.m. on Jan. 26.

lovely," he said, "to the community to the patients and to medical research. That, I hope, will carry them through."

The agreement is clearly aimed at repairing a badly frayed relationship. As well as reimbursing Olivieri, the hospital has agreed to pay her legal expenses, up to a maximum of \$150,000, and to cover her costs if she is subsequently sued by Toronto-based Apotex Inc., the manufacturer of the drug she was testing, over her claims that the medication is ineffective and unsafe. Both sides have agreed not to sue one another over any events prior to the date of the agreement. Sick Kids has also promised to withdraw a Jan. 6 letter sent to Olivieri and three of her

colleagues because that deferral, a new drug she was testing for Apotex, might be ineffective. When she took her findings to the company, it insisted she had misinterpreted her results, stopped the clinical trials and threatened to sue if she went public with her conclusions. Although the hospital's research ethics board insisted Olivieri to change the consent forms so that patients were made aware of her concerns, and to report her findings to the federal government, Olivieri says the hospital administration failed to offer her moral or legal support in her dispute with the drugmaker. Later in 1996, Olivieri also began to fear that deferral might cause dangerous levels of

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## CANADA

iron to accumulate in the liver. The case made headlines last August, after Oliveri published her findings in the influential *New England Journal of Medicine*.

A few matters remain outstanding. A grievance launched by the university's faculty association on behalf of Oliveri, Gollins, Chiu and Durrin in December is unaffected by last week's settlement. And the hospital's medical advisory committee is continuing to assess a December report on the case by a three-person panel, led by Dr. Arnold Nannmark, former president of the University of Manitoba. In it, Nannmark concluded that Oliveri should have reported her findings sooner to the hospital's research ethics board. Oliveri, who has questioned Nannmark's eligibility because the University of Manitoba received \$120,000 from Apotex during his tenure, says that despite the 1996 threats from Apotex, she notified patients within a week of concluding that dangerous might have harmful side-effects.

The case may ultimately be remembered for its impact on an issue that leading researchers say is critically important, the growing dependence of institutions like hospitals and universities on the research dollars supplied by companies. Alan Goldblum, a pediatrician who is vice-president of academic and clinical development at Sick Kids, says that the hospital has already taken steps to protect the integrity of its research procedures. The hospital has hired a full-time manager to oversee the negotiation of contracts between researchers and companies that fund their work, and a second position may be created. The hospital has also convened a task force to ensure the ethical research process. "The individual dispute was a Sick Kids issue," Goldblum says, "but the problem is a worldwide issue. Nobody has written a book on this. Many people at respectable institutions are looking forward to what we come up with, because everybody is trying to manage a very complex area." New standards are likely to be put in place, Goldblum added, so that researchers will not have to "start from scratch with each contract."

Included in last week's settlement terms is a short sentence promising that Oliveri will be granted a paid "maternity leave" of six weeks as soon as her superior at Toronto Hospital "judges it to be possible." Oliveri is almost asleep when she admits she has no specific plan for the time, except to get back to her research on sickle cell anemia and thalassemia. "I must be a very overworked individual," she says. "It stuns it. It's what I haven't been able to do. I have people who say I'm only happy when I'm looking at data and it's close to that. There's no culture to feel that you are moving a field forward—and we haven't felt that way for a long time."

PATRICIA CHISHOLM

## Executive Real Estate Advertising Supplement

MACLEAN'S TORONTO EDITION - FEBRUARY 8, 1999



Photo courtesy of Maple Glen Development Ltd.

## Live, play and work IN THE SAME COMMUNITY

**T**he neo-traditional look is back in new home communities. Garages are now tucked away in the back to create a community reminiscent of a turn-of-the-

century village, one that favours people instead of cars. Surprisingly, such homes are being built in Toronto's suburbs, with the town of Markham leading the way. ▶

# NEW URBANISM, *the latest trend in* MASTER-PLANNED NEW HOME COMMUNITIES

Are you thinking of buying a new home, but don't want to move to the suburbs? Do you like the charm and lifestyle of the city, but want the benefits of a brand-new house? As we enter the new millennium, there is a trend in housing development that offers the ambience of a city from the turn of the century, a movement marketed as New Urbanism. According to Tony Whittaker of Tracfield Homes, "This trend in community development emphasises people and not cars. These communities have car-free garages and a common community focal point." The vision stems from a desire to avoid having streetscapes dominated by garages. This is an effort by municipal planners and developers to make people the center point of their communities and to make these communities a desirable place to live.

New Urbanism is a phenomenon that was started about 15 years ago in Florida by architect-planners Andres Duany and Elizabeth Plater-Zyberk. Their inspiration can be linked to a book Duany wrote on the charm of New England. The emphasis of their vision was on an aesthetically controlled community with buildings set close to the street and townships. New Urbanism incorporates the best features of 19th- and 20th-century small towns, while addressing modern concerns like traffic, pollution and urban sprawl. The concept will remain one of the way Toronto was planned in the early 1980s before the widespread use of the automobile. As they say in the Italian world, an old look is back: today's communities are returning to a new traditional urban design.

## COMMUNITIES DESIGNED WITH A FIVE-MINUTE WALK TO EVERYTHING

Today's builders have grasped this concept in many ways, while local governments provide strict guidelines as to how it is executed. New Urbanist communities are growing every where in the Toronto area, in the city itself, and in Markham, Maple and Oakville. We will take a look at a variety of new home developments that have taken the New Urbanism concept and combined it with local features and the builder's vision.

Angus Glen, a community being built in Markham's prestigious neighbourhood of Uxville, embodies the spirit of New Urbanism. The site is also home to the Angus Glen Golf Course that was rated as the best new golf course in North America. There are 220 homes already built in the community for potential purchasers to discover their charm and elegance. The streetscapes are a mix of upscale (a mid-town neighbourhood in Toronto) and make nostalgia in many who grew up in Toronto. When Gordon

A garage in the back creates the opportunity to build a south house which can be used by adult children or as an income unit. The townhouse makes golf-club-hobby playing more for the kids.



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Stollery, owner of Angus Glen Development, set forth to develop these lands, his vision was to create a neighbourhood that truly gets better as time goes on.

Patrick O'Brien, president of Angus Glen Development Ltd. states "Angus Glen is perhaps the perfect form of New Urbanism in the Greater Toronto Area. The use of townways, backyards patios, houses with urban architecture, all housing an important value, parks, ponds and a championship golf course makes Angus Glen a premier community to live in."

The inspiration for the move was a visit by Larry Law, president of Law Development Group, to Paris. This move can be compared to the commercial and residential development in Grange Park Avenue in Queen Street West in Toronto.

A new community being developed in Markham in Corral, by Law Development Group. The site is located on the North Line north of Highway 7 near the Markham Steeles Highway. The inspiration for the community, according to Vincent Stenhouse, and architect at Law Development, was the older major urban sites of North America. Stenhouse also goes on to say that "This community will be the largest example of New Urbanism in North America with 20,000 homes to be built for 50,000 people." Each Corral neighbourhood is centered around a common focus: a park, mixed-use buildings and a waterway - low-rise structure with retail on the street level and apartments on the second story. The area certainly has a touch of the century feel to it and the second phase is expected to be released this fall.

New Urbanism is not just in the suburbs - look east to the trendy Beaches area for this concept in home design. The new neighbourhood constructed on the Greenwood Beachfront lands by Tribute Homes is considered the largest example of New Urbanism in Toronto with close to 1,000 homes to be built. The houses are reflective of the Beaches area. In fact, according to Howard Sokolowski, Tribute's CEO, "We had consultants photograph every house in the area to ensure that our national design features and the look of streetscape blended perfectly into the long established community. The homes will be three stories up to 3,800 square feet, with first storey verandas, second floor balconies and third-storey roof terraces. This community is a chance to live in the historic Beaches area in a modern house without the hassles of early renovations."



Enjoy the Beaches lifestyle as you are a five-minute walk from the beachfront, pool, lake, cycling trail, skateboard path, jogging trails and shops. Markham's modern style outstands view of the lake.

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You see, when a builder designs homes from the inside out, rather than the outside in, they look a lot less like bricks and mortar and a lot more like the people who live in them. At National Homes, we start with you and your needs. Then we design homes to suit the way you do the things you do. Because here at National it isn't about all the great features we put in. It's just about our quality or our service. It's really all about you.



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Greenwood" single, angles from the  
160,000's  
Brimm's Rd, 11' & 12' line



Another trend in home development that caters to some of the principles of New Urbanism is the wide-lot community along Columbia-Trail in Maple. Douro Pundarik, market manager for National Homes, says of the build-out, called "Wide-lot" designs offer a more attractive environment and the opportunity to be more innovative in designing markets. The designs include three parcels and more windows to encourage a fresher atmosphere in the neighborhood. Homes tend to be square than the older designs afforded by (two-story) lots in previous subdivisions. A wide lot is like getting a 48-foot lot elevation for the price of a 38-foot design.

The New Urbanism trend is not really a new concept, but a return to the roots of what makes communities vibrant and livable. That live in them. Older subdivisions built in the 1970s and 1980s were designed around the car and tended to favor a car-centric approach in design and construction. According to Jim Baird, director of planning for the Town of Markham, "The principles of the New Urbanism made for good planning and good communities. In Markham, we are achieving such things as a variety of housing types, pedestrian and transit



The garage is a wide-lot design in an area, to ensure that it does not obstruct the driveway.

National Homes has wide-lot designs that include a driveway and second-floor balconies, ensuring that all homes do not look the same as in subdivisions dominated by garages.

orientation, and live-work opportunities in all our new communities. Perhaps the days of the long commute to the city as the Don Valley Parkway will be a thing of the past with New Urbanism.

### Builder Profile

## BROOKFIELD HOMES

Brookfield Homes is one of the builders of the Golden Glen in Oakville. The company has been a major builder in Ontario since 1956, concentrating on Toronto and Ottawa. More than 50 projects have been undertaken in Ontario with over 20,000 homes. Other properties being developed in

the GTA include Legacy in Markham, Port Union Village in Scarborough, Stratus House in Ajax, Wharf House in Whitby, Tuscany in Maple and the Heights of Harwoodville in Oakville.

The company also builds in Virginia, Maryland, California, and Florida.

Brookfield Homes is organized into six business groups and is a subsidiary of Brookfield Properties Corp., one of North America's largest real estate companies with offices operating in commercial properties, property management as well as residential developments.



Brookfield's newest community, adjacent to Golden Glen Golf Course, is a collection of Golden Glen and Victorian-style homes with service garages. Below the stream and driveway of a new 150-acre village in a picturesque natural setting.

### Project Profile

## THE BEACH

Developer:  
Builder:  
Location:

Holmes Development Inc.  
Hillside Beaches Area on Queen Street East.  
(The Government Bayview North)

Architect:



"We have increased from the Beaches architecture of the last century and coupled it with today's design and technology to create new homes which will last 100 years from the first century." Quality & Comfort homes consisting of 416 apartments, 312 townhouses, 216 semi-detached and 173 single-family homes. Phase II is sold out. Phase III is now available.

No. of Homes:

Price Range: \$279,900 for the town and \$449,900 for the duplex. Spring 1999. Southwest Corner of Queen Street East and Woodbine Avenue. (1001 Queen Street East) (416) 495-8002. www.TheBeachHomes.com

Price Range:

Developer: Holmes Development Inc.

Builder: Hillside Beaches Area on Queen Street East.

Location: (The Government Bayview North)

Architect: Quality & Comfort

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Price Range: \$279,900 for the town and \$449,900 for the duplex.

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Builder: Hillside Beaches Area on Queen Street East.

Location: (The Government Bayview North)

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## Canada NOTES

### POLICE 'IMPUNITY'

A two-year inquiry concluded that Quebec's provincial police force, the *Sûreté du Québec*, suffers from feelings of "immunity and impunity," issues its power to arrest people and enforce its profound code of silence. The inquiry was launched after police botched the seizure of 28.5 tonnes of hashish. A judge dismissed the case after four officers were accused of planting evidence.

### A HISTORIC RULING

The Supreme Court of Canada abolished a speed rule linking a military company's liability. The case centred on Murray Reir, 35, of Victoria, who was injured when his motorcycle wheel was caught in tracks on a city street in 1987. The common-law rule, dating from the time of the century, protected soldiers because of their importance in building the country. The court ruled that the protection was negligible "can no longer be justified."

### PARIZEAU'S NEW ROLE

The Bloc Québécois hired former Quebec premier Jacques Parizeau to examine an independent Quebec's place in the context of globalization. The move was heralded as a bid to modernize the sovereignty movement and begin laying the groundwork for another referendum.

### B.C. SHUFFLE

NFPA Premier Glen Clark appointed Gordon Wilson, leader and once MLA for the Progressive Conservative Alliance, as minister of strategic affairs. He will also be in charge of the four-city tourist B.C. Ferry Corp. Wilson, former leader of the B.C. Liberals who had to resign after an extramarital affair with caucus member Judy Joubert (the two were later married).

### CULTURE AND MAGAZINES

Canadian and U.S. officials held discussions on proposed legislation to protect the Canadian magazine industry that is at the centre of a looming trade dispute. Ottawa, in an effort to give the trade a chance, last week considered delaying a third and final reading of Bill C-66, which was set for this week. The bill, if passed, would make it illegal for foreign advertisers to place ads in Canadian editions of U.S. magazines that contain largely American editorial content.



Yashin at the Gavel Centre: two sides to the NAC story

## Russian revelations

Hockey star Alexei Yashin of the Ottawa Senators told a packed news conference that his parents never planned to pull their \$1-million donation to the National Arts Centre. A public outcry erupted after Yashin announced that he was backing out of his pledge, and the NAC subsequently revealed that the terms of the Russian's donation required it to pay his parents up to \$85,000 a

year for five years. Last week, Yashin, 35, said the money was to cover his parents' expenses while they tried to re-emigrate. Russian artists came to Ottawa. "My intention, and that of my family, was to be active in helping the NAC build a strong program of Russian performers," Yashin said. The Yashins deal—struck with John Crompton, the arena's former director—was announced with much fanfare last March, but fell through with the hockey star having paid only one instalment of \$200,000. The Senators' captain said he withdrew from the pact—the centre's largest donation in its 29-year history—because the NAC made him "feel like a criminal." NAC lawyers have said the deal is illegal. Furthermore, NAC director Elaine Calder alleges that Mark Gaudin, Yashin's agent, called her in December warning an invoice for Yashin's parents despite the fact they had done no work. Gaudin had but was called the allegations unsubstantiated. Meanwhile, other donations have poured in to the NAC, among them \$400,000 from Starvac Corp. and \$300,000 from Michael Pettor, founder of the computer firm Cogus Inc.

## Suing over prison blood

### A battle for funds

A Post-Mortem proposal to table the 1999-2000 federal budget on Feb. 16, the Canadian Forces are in a bind, hoping for a ministerial effort to force from the finance minister. Without it, Defence Minister Art Eggleton must last week, the Forces will likely have to be trimmed from their current level of 60,000 members—already down from about 85,000 10 years ago because of continuing budget cuts. According to reports last week, defence department sources say troops may have to be cut by 5,000. The ruling, which is expected to be a program to improve the pay and conditions of life of its personnel, is hoped for in addition to \$500 million on top of its current \$9.3-billion budget. And an interview with McGowan last week, that of C-Force, then Gen. Bruce G. Macdonald, and his command, his Department of National Defence, and the Forces will be helped in future years by their people by their own resources, place to sit.

Canada's tainted blood scandal went with the launch of a \$1-billion class action lawsuit. The legal action was initiated by Ontario's *Amalgamated Mike McCarthy* on behalf of 1,000 other sufferers of the disease. Who say they got hepatitis C from tainted blood products made with blood collected in U.S. prisons in the early 1980s. The suit names Health Canada's Bureau of Blood, Canadian Laboratories of Toronto, which manufactured the blood products, and Connaught Pharma, a Montreal-based blood broker that bought the prison blood and sold it to Connaught. It can show negligence was done to innocent hemophiliacs in this country," McCarthy told reporters. "We have the technology to prevent it."

The blood at the centre of the suit was collected from prisoners in Arizona and Louisiana between 1981 and 1984. (The United States stopped using blood from jails in 1980 because many inmates engage in high-risk sex or inject drugs, but some was still sold internationally.) The federal and provincial governments have already offered a \$1-billion compensation package to people infected with hepatitis C between 1980 and 1984, a period for which Ottawa acknowledges no legal liability. But last week, the Hepatitis C Society of Canada condemned the package, citing, among other reasons, the lack of special provisions for children.



Survivors in Armenia (left), attacking a shoeless store four days after the quake, as hunger mounted among the homeless, so did anger.

## Looters run rampant after a killer earthquake strikes Colombia



Colombia killed 1,000 in 1994. Robert Turner, a research scientist with the Geological Survey of Canada in Vancouver, said there are dozens of fault lines running north and south through the region. At the same time, a massive piece of the earth's crust known as the Nazca plate is pushing eastward from the Pacific Ocean and under the Andes. Usually, the violent collision takes place deep within the earth's crust, preventing massive destruction on the surface. This time, Turner said, the tremor was shallow and occurred in one of the faults. "More quakes," he added grimly, "are inevitable in Colombia."

In Armenia, the violent shaking left hundreds of people crushed to death in the ruins of their homes. At first, neighbors and family members dug through the piles of twisted concrete and wood with their bare hands in the hope of finding survivors. For weeks, there were miracles: people were still being dug out alive three days after the quake hit. Most were not as fortunate. As a steady rain descended on the shattered area, Blanca Lila prepared to bury her 20-year-old son, who died under a shower of debris. "I will never forget that day or the sadness I felt," said Lila as she stooped to place roses on his grave. "He leaves behind four beautiful children that he will never see again."

There was so much death to deal with that fights broke out over coffins when suppliers failed to arrive as early as \$25,000. And as hunger mounted among the homeless, so did anger. Many smashed their way into grocery stores in search of something to eat. "No food has arrived, so we've been forced to rob this," said José Fernandez, while gripping his stolen cash register. "I haven't eaten since the quake," he added as others kicked out crates of soft drinks, bags of potatoes and boxes of detergent. Another crowd attacked a Bee Cola supply depot. Looters were not content to stay in stores. Many looted into private homes. Gangs of young men threw rocks at police and soldiers, who responded by firing bursts of automatic gunfire into the air. At night, lethal riots erupted in neighborhood vigilante squads, armed with shotguns, pistols and even Molotov cocktails. "Certain people are robbing everything," said houseowner Alexander Moreno. "We're protecting ourselves."

As the search for survivors continued by day and night, rescue workers continued to search for survivors by night as well as by day. By week's end, however, they had little hope of finding many more victims. The state promised to pump \$25 million in emergency aid into the region, and other officials said it could ultimately take \$300 million to rebuild the shattered towns. The President asked Canada and other countries to donate millions of dollars, and urged every Colombian to donate a day's wages to the cause. Yet no amount of money could compensate those who lost family members. "I don't know why God is making us suffer like this," said Lila Glorie, who buried her 20-year-old son six weeks after the quake. "Why would He take everything away from me? It was a question with no answer."

PHIL SOUVANNE TIMMINGS in Bogotá

# PAIN AND CHAOS

BY TOM FENNELA

Elis Arbeláez was poor but still proud of the way she had raised her family in a tiny house in one of the city's toughest neighborhoods. Then, at 1:50 p.m. on Jan. 35, the ground shook and Arbeláez's house fell onto its side. All the houses on her street in Armenia, the capital of Colombia's rich coffee-growing region, were destroyed by the second massive earthquake to hit the country in five years. More than 1,000 people were believed killed and 150,000 left homeless. Like so many shocked survivors, Elida's son Ellen had rushed home to find a loved one crushed to death in the rubble. "The houses fell down like dominoes," he said sadly as he salvaged baby pictures from the debris that killed his mother. Later, residents across the city laid the dead side by side and began a grim search for coffins, which were now in short supply. "I can't find any," said Diego Ruiz, 34, who lost his grandmother, sister and three aunts. "So we're going to bury them in plastic sheets."

There were no many corpses to bury at Colombia's government site

was forced to ship new supplies of coffins to Armenia—a city that suddenly resembled a war zone. "It reminds me of Sarajevo," said Philip Maher, a Canadian staffer with the charity World Vision. "It looks like it has been shelled." The quake, which measured 6.0 on the Richter scale, leveled up to 80 per cent of the buildings in communities in rural central Armenia, a picturesque city of 200,000 straddling a lush valley in the Andes Mountains, 100 km west of Bogotá. Initially, rescue services seemed stalled—workers standing for hours in the rain by piles of shattered concrete as rescue crews tried desperately to reach victims trapped in the rubble. Others wandered the streets, eventually taking refuge in the few undamaged buildings that remained. "People are like zombies," said Maria Gomez, an official with the National Civil Defense Protection who was in Armenia. "They're in a daze. They don't quite understand the coffee situation or their injury."

Experts from Britain, the United States and Japan arrived the day after the quake with sophisticated equipment to help find victims buried in the debris. Canada pledged \$800,000 in emergency assistance through the Canadian International Development Agency.

But the local effort to get food, water, tents, medicine and other supplies into the disaster area quickly turned chaotic. Crowds clamored for food and water. As desperation increased, angry mobs looted supermarkets and homes, clashing with security forces. With the region on the verge of anarchy, officials airlifted in 250,000 meters of food and 4,000 troops in an attempt to restore order. Colombian President Andrés Bastezina once had a trip to Europe and flew to Armenia to take personal charge of the rescue operation. Arménians continued to rock the city, and streets were jammed by hundreds of frightened people frantically trying to reach the airport. "They are scared and screaming to be rescued," said Maher.

As the chaos continued into the weekend, Canadian ambassador William Ross said his officials did not believe anyone from Canada was hurt in the quake. Still, 10 teachers mostly from Ontario who were working at an international private school in Armenia, were terrified. "We run outside gripping onto each other," said Linda O'Brien, 36, from Whitby, Ont. "It was all we could do not to cry." After returning home, however, Heather Haugh, 28, from suburban Toronto, remained in downtown Armenia. "It was just horrendous," he said. "Some rows of buildings and stores collapsed, with people still inside." The first floor of Haugh's apartment was also destroyed, he said, and the walls in his and O'Brien's apartments had cracks so big "you could see outside."

The killer quake was just the latest in a long string of seismic disasters to befall the region. About 25,000 people were killed after the remote Nevado de Ruiz volcano erupted in 1985, the same year up to 12,000 died in a quake in Mexico City. The last major tremor in



The Pope meets the President. *Lewinsky in Washington (below): back as a witness*

must be jumped before then. But that was the day that Republicans, who hold the majority in the Senate, set for voting on the two articles of impeachment that charge Clinton with committing perjury and obstructing justice.

Nor is there any remaining doubt about the outcome. For months, the conventional wisdom was that Clinton would be acquitted if he was impeached by the House of Representatives and put on trial in the Senate. With Republicans holding just 55 of the 100 Senate seats, it would take a dozen Democrats to turn against their President in order to reach the 67 votes required under the U.S. Constitution to find him guilty and eject him from office. For once, the conventional wisdom proved accurate. In a crucial test vote that broke almost cleanly along party lines, 44 senators (all Democrats) voted to dismiss the case immediately. Fifty-one senators (all the Republicans plus a single Democrat, Russell Feingold of Wisconsin) voted to continue the trial. The Republican majority got its

way, but the vote demonstrated that more than a third of the Senate will refuse to convict Clinton—making it as certain as anything can be that he will remain in office.

ANDREW PHILLIPS  
IN WASHINGTON

The stark reality, then, is that impeachment is much like the parrot in the old Monty Python sketch—dead, decimated, extinct, an overcommitment. "You've seen the end of the movie," said Republican Richard Shelby of Alabama. "We're just trying to find closure."

If that was true, what was left to fight over? A lot, as it turned out. All parties to the drama continued to maneuver for political advantage, historical vindication—and next year's elections. Senate Democrats and the White House want to make sure that Republicans

are blamed for turning impeachment into a partisan affair, and for uncritically pursuing the President against the popular will. Republicans in the Senate were caught in a bind: wisdom is not a time when outcomes are now losses, but reluctant to pull the rug out too deeply from their fellow Republicans in the House, who have zealously pursued the case against Clinton. At the same time, Republicans want to find a way for the Senate to formally condemn Clinton's behavior in the Lewinsky affair—something that posterity does not record, that a contemptuous Congress entirely resisted at wrongdoing by a popular president. "We want to make

## The morality playoffs

After a crucial vote, Clinton's trial enters its final phase

THE 2000 Americans salute most—Bill Clinton—shook hands last week with the runner-up in the presidential sweepstakes, Pope John Paul II. Clinton, rated tops by 18 percent in Gallup's latest survey of public opinion, greeted the Pope (seven per cent) in St. Louis and chatted about values. John Paul talked about the need for a "higher moral vision." The President spoke of America's drive for "moral virtues." At almost the same moment, a Republican congressman named Ed Bryant was on his feet before the U.S. Senate, ranting out loud about the meeting of Clinton's willies with young Monica Lewinsky. "Is it good, is it bad, or is it ugly?" Bryant asked as he pleaded with the senators not to altogether end Clinton's impeachment trial. "We believe that it's bad, ugly and illegal."

The two sides of Clinton's double life—President and peccator, leader and liar—have clashed so often in the past year that the contrast has become almost routine. Celebrating public morality with the Pope while his private immorality is dissected by the people's elected representatives amounts to just another week at the office. Not for much longer, though. Finally last week, the Senate made it clear that the impeachment saga will be over sooner rather than later—quite possibly by Friday, Feb. 12. A host of legal obstacles and political hurdles



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## MP says butler is "necessity."

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OTTAWA — In what many consider a verbal piffle for the ages, respectable senator George "Miss of the People" might say:

## Government spends \$70,000 to determine melting temperature of butter.

OTTAWA — Members of the opposition welcomed up when they learned of a study commissioned by the Department of Agriculture... in which but

## WORLD

some kind of statement in history," said Robert Bennett, a Republican from Utah.

The fight focused on two main issues: calling witnesses and finding a way to rebuke the President. Democrats strongly opposed calling any witnesses, arguing that they would add nothing to the voluminous record compiled by independent counsel. Kentucky State Republicans, however, used their majority to authorize the procedure from the House to take depositions from witnesses—but only after they had passed their list from as many as 15 to what their voters, Representatives Henry Hyde, called "a pitiful three." Early this week, lawyers from both sides will take evidence in private from Lewinsky herself, Clinton's close friend Vernon Jordan, and presidential aide Sidney Blumenthal. The prosecutors said they will not focus on Lewinsky's sexual relationship with Clinton, but rather on suggestions that he coerced her to do so and that he enlisted Jordan and her aide as a conduit for his secret.

Once the depositions are complete, the public fight will resume. Democrats said they will oppose allowing videotape of the testimony to be made public, something that would likely further embarrass the President, or otherwise any witnesses to testify in person before the Senate. And they will continue to push the proceeding as a purely partisan exercise. "It's their trial now," said John Kerry, a Democrat from Massachusetts.

The two sides will also battle over how to record their dispute at Clinton's phoned-in trial and public lies. Some Democratic senators, led by House Freshman of California, have said they want to pass a resolution condemning Clinton's "widespread and willful misconduct"—but only after the Senate has voted yes or no on the two articles of impeachment. Some Republicans, though, want to do something stronger. A proposal last week from Senator Susan Collins of Maine would split the Senate vote into two parts. First, senators would vote on a so-called finding of fact—a resolution that would declare the President had obstructed justice. Only then would they vote on whether to remove him from office.

That would allow Republicans to condemn Clinton in the strongest terms—by a simple majority of 51 votes—while leaving him in the White House. Constitutional experts say such a move might be illegal since previous practice suggests that a finding of guilt in an impeachment trial automatically removes a person from office. The White House could not work that it would be both unconstitutionally and unfair—a kind of stretch-impeachment that gets around the two-thirds majority required by the Constitution. If Republicans try to use their majority to remove it through, Clinton's defenders said, they would tie up the trial with legal manoeuvres and delay it well past the planned Feb. 22 end-date. All sides could at least agree on one thing: no one wants that. □

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# Bob Levin

## Why the Republicans hate Clinton's guts

Soachew, all the talk of "history, history," of "The Trial of the Century," hasn't quite done it. Nor has the segmental-actress incense "Here ye, here ye" or the great gravity and solemnity that descended on the Senate floor like dust on a tombbox. We've all watched too much *Seinfeld*, too much *Shoguns*, too much *Leno* and *Lettman*. *Here ye* is how in the land, and so many of our mumbo-jumbo, however stirring to the history-obsessed, self-inflating senators, can quite silence the gaudier, nervous ones though they may be. And, back, if they wanted things solemn why did the Chief Justice sew racing stripes on his robes, and why did they lift that line from Andrew Johnson's trial, "All persons are commanded to keep silent on pain of imprisonment"—which is lovely

Manny Pinyon material? No, there's no escaping it. It history repeats itself, appearing, as Marx said, "the first time as tragedy, the second time as farce," then surely we're arrived at the third part.

Except, of course, it's not really funny. Poetic, tender, dignified, definitely sad—all that, yes, but not funny. And not necessary, for, as Americans keep saying, living a hard act may make a man to the level of howlers but does not elevate him to a high constitutional critical.

So why do it? Why take Clinton's sorry little gropings with the allies (he and transform them into this grand, sorry, acutely understood spectacle?

The Republicans have a ready answer—the press, publicly conspicuous pursuit of justice, etc.—and some of them may actually believe it. Joe McCarthy after all, really did want to root out communism; the *Avoyah* Khosrovi didn't like Salman Rushdie's book. But, truth-and-justice lovers though they may be, the GOP seeks to double-haul more complicated motives than they profess. Like, it's personal. It's visceral. They simply hate Clinton's guts. And here we must travel back in time, back to the Victorian Sweden and early Seventies, for, as others have noted, the perplexing prosecution of William Jefferson Clinton can best be understood as the settling of old cultural scores.

Maybe you had to be there. But "culture wars" is more than just an abstract theory. There would be no independence without that son of a Texas preacher, Jim Starn, who wrote the (pornographic) Bible on it, and without the Southern right-wingers who rule the Republican party with the fervent support of Christian crusaders. To them, Clinton, this first son of the Sixties to reach the White House, is a counter-revolutionary—draft dodger, pot-smoker, libertine—down the days of protest and *Blue Velvet* and *Power Flower*. And beyond the boomerage, beyond the current movie and ad soundtracks, the era's reality was this a gaping, wrenching divide in American society.

I went to college in a starchy Midwest town, the heart of the heartland. Here, American flags flew ubiquitously from frame porches. Detroit built cars here "America, love it or leave it" bumper stickers and their owners proudly sported "Nixon's the One" buttons—"He has that Christian look in his eye," explained one Main Street stroller. Then there were the college kids, many of us long-haired, East Coast experts, those who wandered off-campus for close in our early TW's were often stared at and pointed at, called hippies and Commies and worse. In turn, we viewed the shorn, too-carding young loaves as some sort of throwbacks—anthropological curiosities—and only in hindsight is the racial ethnic streak apparent, the divisions not just of generations and geography but of class. It was one thing to oppose the war, quite another to scorn the poor and

bicentennial kids forced to fight it.

And the things changed. America did Vietnam and straight-haired kids began smoking dope and sprouting hair. ("Why're you getting a damn haircut?" jeered one straggly local, passing a barbershop where I sat preparing to enter the Real World of job hunting.) Nixon's Watergate disaster left the most pie-eyed patriots disillusioned (another Clinton word). Not even Ronald Reagan could turn back the clock. As governor of California, Reagan had used his on controlling rampant unrest. "If it takes a bloodbath, then let's get it over with." As president, for an actor who played one on TV, he cornered up America as a "shining house on a hill" while decrying the Sixties as a time of no class and anarchy—a bad time that did bad things to his beloved country.

Now we have Bill Clinton, the living proof, and they want him gone. Oh, they may not have been hip in the Sixties, but these Republicans have launched the ultimate revenge of

the nerds. You heard it at their questioning of his marksmanship: long, staccato, the knee-jerk assertion that a man who needed that armed forces has no business commanding the rest. And you hear it in "the rule of law," a phrase they would like a bully club and which, come to think of it, sounds a bit like Nixon's "law and order."

Except justice is not supposed to be a blunt instrument. It's supposed to be a bloodbath of women carrying scales, weighing whether the punishment fits the crime. And most Americans—who are not rabid Clinton-baiters, who know real life is messy and of course politicians lie (even States lie!)—are less so. They're a slimy president than by a prismatic projector, the unbroken, calculating led who sought to maintain his "political viability" even as he dodged the draft, doesn't embody the Sixties any more than Charles Manson or Tiny Tim do.

But never mind, there's no stopping it now. *Here ye, here ye* the terribly serious, historically monumental trial of Sick Willy and his Sixties ways is still in session. Here come the judges.

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## World NOTES

### KOSOVO DEADLINE

Major powers dealing with the Kosovo crisis demanded that the warring Serbian and ethnic Albanian forces sit down for peace talks by Feb. 6. After that, said the six-nation Contact Group, the two sides would have one to two weeks to reach an agreement on withdrawing from the Serbian province. NATO leaders stepped up threats of military action. Britain, France and Canada said they would be willing to send ground troops to Kosovo.

### FAULKNER LOSES APPEAL

The U.S. Supreme Court declined to hear an appeal by Canadian death row inmate Stanley Faulkner, who faces execution for the murder in Huntsville, Tex. He is serving a life sentence for a challenge to a lower court, but Texas authorities were expected to set a new date soon to make Faulkner the first Canadian executed in the United States since 1962.

### CANADA'S IRAQ PLAN

The UN Security Council backed a Canadian plan to broker an initiative over Iraq in the wake of U.S. air strikes. Members agreed unanimously to set up three panels examining Baghdad's compliance with UN resolutions, including disarmament. The panel is scheduled to start working on Iraq.

### NETANYAHU'S NEW RIVAL

In a dramatic shift in Israel's May election campaign, Yitzhak Mordechai took over the contrast challenge to Prime Minister Benjamin Netanyahu after Netanyahu fired him as defense minister for allegedly misleadingly reporting on the discovery of chemical weapons. Mordechai replaced struggling candidate Amnon Lipkin-Shanel, competing for left-Netanyahu votes with Labor's Ehud Barak and right-winger Danny Danon. Netanyahu, meanwhile, fought off a Likud party challenge by his former mentor, Moshe Arens, and made him defense minister.

### TIMOR INDEPENDENCE?

Top Indonesian officials made a surprise offer to consider independence for the former Portuguese territory of East Timor if Timorese reject a brand autonomy plan in a referendum. Up to 200,000 people died from fighting or displacement after Indonesia annexed the province in 1975 and a civil war. But Foreign Minister Ali Alatas said his state-controlled nation had gained "no economic benefit" from its occupation.



### TASTY WELCOME:

Prime Minister Jean Chrétien tries ceremonial bread-and-salt presented by Ukrainian women in traditional costumes on his arrival at Kiev airport. Chrétien traveled to Poland, Ukraine, Germany and Switzerland on a trade-oriented trip that also managed some important ethnic considerations back home. As the first Canadian prime minister to visit Poland, he made a pilgrimage to Auschwitz, the infamous Nazi death camp. In Germany, he and Chancellor Gerhard Schröder urged NATO to debate dropping its "first strike" policy, which allows the alliance to use nuclear weapons before an enemy does.

## Uncertainty over King Hussein

Jordan's ailing King Hussein has long been considered a rock of stability in the Middle East by Western powers. Even two of his sons were once prime ministers: Hussein's first son, Prince Talal, and his second, and American-born Queen Noor, his wife since 1978. But last week, a rapid series of events left the future of both king and country in doubt.

On Jan. 20, the king, 63, had suddenly returned to Jordan from the United States after six months of chemotherapy for lymphatic cancer. On arrival, Hussein indicated that his brother, Prince Hussein, 51, would no longer be his designated heir. Soon afterward, he died of intense speculation—and motherly

maneuvering—by announcing that his eldest son, Prince Abdullah, 37, whom he had with Gertrude, would succeed him. That shocked Noor's son, Prince Hassan, 38. Then, a day later, the king suddenly flew back to the Mayo Clinic in Rochester, Minn., where hospital officials said he had suffered a rupture.

Hussein's deteriorating condition raised new fears for his desert nation. U.S. Secretary of State Madeleine Albright made a quick visit to express support for the ailing monarch, a career soldier but a political novice. Hussein, who the king said had overstepped his authority, made a public display of greeting the new heir. Meanwhile, many Jordanians prayed

## Accused murderer Ng blames a dead man

A crowd would tell Charles Ng, 28, told his lawyer that in Santa Ana, Calif., that while he helped dispose of the bodies, it was his accomplice, Leonard Lake, who tortured and murdered 12 people at a remote cabin in California in the 1980s. Lake committed suicide in 1983. Ng, from San Francisco, was arrested in Calgary that year after fleeing the United States, and carried off a major legal struggle. Charged with murdering seven men, three women and two baby boys, he is alleged to have helped Lake rape the women before killing them. The pair did not deny any of the assaults. In one, the jury saw Ng cutting away the hair of a terrified young woman.

Crowley: rules on paper counts are 'unworkably' lax

## THE OPINIONATED MAN OF THE GLOBE

Shortly after Philip Crowley became president of *The Globe and Mail* last fall, he sent a memo to editor-in-chief William Thomson complaining about how section stories that emphasized "facts" or "guy" themes. Then, Crowley said, his courier to the wishes of Globe advertisers, who prefer family-oriented fare. When the memo was leaked to the gossip magazine *Frank*, Globe journalists were lambasted at what they saw as a money-driven attempt to influence editorial content. But Crowley, 54, was unapologetic, saying in the aftermath "You will note that our most recent feature dealt with how to take your kids to Las Vegas." Last week, he had lunch with Bob White, the senior vice-president of the Audit Bureau of Circulations. The next day, in a speech at the Advertising Club of Toronto—with White serving as host—Crowley

indicated ABC's circulation measuring system, *Sund*, a shadowed White. "He gives me a warning."

Then, at Vancouver's Canadian Club the following day, Crowley went after the *National Post*, saying that owner Conrad Black uses the newspaper as "a platform for his views," which include his "mission to reinvigorate the right in Canada [and] to rescue the reputation of Stuart Mulvey."

In Canadian newspaper circles, such talk usually isn't done in public—or at all. But the British-born Crowley, a fierce and fit competitor at tennis and rowing, is a veteran of newspapers in places that play by different rules, including London's Fleet Street, Hong Kong and New Zealand. Over three decades, his bosses have included Black—when Crowley was at *The Daily Telegraph*—and Rupert Murdoch, when Crowley was editor-in-chief of the then-Murdoch-owned *South China Morning Post* in the early 1990s.

Crowley's link to the *Globe* is Stuart Gornay, a fellow British and longtime acquaintance who heads Thomson's

newspaper division. Since Crowley's hiring, he has taken charge of day-to-day matters from publisher Roger Harris on. At Vancouver, he and his staff appear to be sponsoring him as the public face and voice of the newspaper. Within the relatively genteel confines of the *Globe* newspaper, Crowley is regarded with both fear and favour. The enthusiasm comes because he has increased editorial spending, sharpened the focus on hard-news coverage, and heightened the profile of foreign correspondents, whose role at the paper had been diminished. After a recent meeting with the paper's Ottawa bureau, one staffer said, "He knew where we are, what we do, and what should be better." Crowley, who is married with three children, knows his shortcomings—such as his unfamiliarity with Canada, a country he had visited for all of two weeks before moving here. "I make it a point to acknowledge what I don't know," he says. And, otherwise, to leave no doubt about his opinions.

A-5

# WAR OF WORDS

The gloves are off over circulation claims in the newspaper industry

BY ANTHONY WILSON-SMITH

Among the executives who oversee some of Canada's largest competing newspapers, personal relations have been a curious mix between cozy and confrontational. Stuart Garner, the chief executive officer of Thomson Newspapers—which owns *The Globe and Mail*—has been involved in a series of business transactions over the years with David Blakely, the deputy chairman of Scotiabank Inc. Several times last year, when Scotiabank was preparing to launch the *Norfolk Post*, Garner telephoned Blakely to review him, as the gleefully recounts, by saying "he was discussing with him financial projections, and that their paper would do much more." Still, Garner described Blakely as "a smart chap who can drink it out, and take it." And last December, when Philip Crowley was appointed as the president of the *Globe*, he received a call from Don Black, publisher of the *Post*, inviting him to lunch. The two went to Blago's, an upscale Toronto Italian restaurant, and both say they got along well.

That was then—but now, a burgeoning newspaper war between

the two rivals has suddenly made pleasantries less frequent. One reason is the claim—made by the *Post*'s Blakely last week—that his three-earns-a-day newspaper is attracting an average daily circulation of 272,000 copies and installing the *Globe* in its most major local rivaling markets outside Toronto. If that is the case, it would put the *Post* with an striking distance of the *Globe*, which claims to be selling 336,000 copies daily, and threaten the older publication's hold on the national newspaper advertising market. In fact, said Blakely, in a speech before the Advertising Club of Toronto, "these figures show there is room for a new national newspaper in Canada."

That prompted scathing public comments in two speeches by Crowley, a well-travelled but recently arrived native of England who once worked for *Post* owner Conrad Black. His targets ranged from questioning the legitimacy of the *Post*'s copy-righted circulation figures to the "unworkably lax" standards by which the entire Canadian newspaper industry measures circulation. Still, Crowley is his resources to the same group. "The world is a very poor place and I have never

seen [circulation] rules as relaxed as they are in Canada," And, he added, in a speech the following day in Vancouver that compared the *Globe* to the *Post*: "We are a newspaper and a newspaper. That's a big point of difference." In a later *Maclean's* interview, Blakely responded: "I am not sure what the purpose of Philip's criticisms are, but he might want to supply some of those remarks to a bona fide newspaper."

Welcome to ground zero in Canada's Battle of the Newspaper Titans—a place in which no one can agree on much of anything, beginning with the rules of engagement. As well, the players on each side keep changing in the wake of a year of mergers and takeovers that has seen Thomson, Southam, Torstar, owners of *The Toronto Star* and Montreal-based Quebecor all striving to consolidate their holds on respective segments of the market. While the *Globe* and *Post* battle, the fallout will affect the entire industry and the standards it uses to measure success.

As always, the most heated battle is in the Greater Toronto Area—home to a 3 million people and 36 per cent of Canada's retail market. There, the runaway market leader is *The Toronto Star*, overseen by its high-profile, perennially been-did publisher John Hinkley, followed by *The Toronto Star*, while the two national papers still battle. In interviews, both Jim Tasson, publisher of the *Star*, and Doug Knapp, publisher of the *Post*, pointed to gains in areas of circulation that each said came at the expense of the other.

According to the most recent Audit Bureau of Circulations, or ABC, figures, the *Star* remains the country's biggest newspaper, with an average Monday to Friday circulation of 654,000 and Saturday sales reaching 702,000. The *Star* has 248,300 paid-up subscribers in seven provinces and its largest newspaper on Sundays, sells 497,500. Within the GTA, Blakely says, the *Post* is "just closing in on 100,000 copies" daily. The weekly *Globe*, according to its internal figures, sells about 285,000 in Ontario, about 130,000 in the GTA.

But almost all of those numbers are open to different interpreta-

tions, and challenges. The *Globe*, through Crowley, is particularly angry with controversial changes agreed upon at an August meeting with ABC—the traditional bible of the industry. The new rules, which take effect the first day after that, mean that the United States, where newspapers include sales of extra copies at one cent a copy in their circulation figures. That change was also fought by the *Star*'s Hinkley, his newspaper, which does not offer weekday home delivery, will adjust all of its copies of full newspaper price for its part, the *Post* offers a special rate of 58¢ a month for home delivery to some subscribers to other Southern papers, that rate is a fraction of what it would cost at the newsstand. That last year, both sides could be counted only if their cost was at least half the newsstand price. That, says Crowley, "means you can claim any circulation you want if you verbally give your paper away."

But many critics say Crowley is the wrong person to make that point, because the *Globe* quit ABC in the mid-1980s. The reason for doing so, industry sources say, was precisely the same tactic as Crowley accuses the *Post* of: padding. It wanted to enter huge discounts to sellers and later to local distributors, and was unhappy that those sales would not be included in its figures. Says Bob White, the senior vice-president of ABC Canada, "The complaints they make about us are true of them—and no one can over verify any of their claims." ABC, in fact, will be lifting distinctions between different prices charged in its circulation figures—but not all members are keen to take that overall rule in public.

For now, the *Post*'s claims are, like those of the *Globe*'s, the result of its own studies. Its start-up came too late for it to be included in ABC's 1996 year-end circulation statistics, which are based on a study conducted for the paper by the Angus Reid Group research company at the end of last year.

But many people say that the real benchmark for the *Post* will be the release of the full NAIDNA numbers, an independent study that measures true net mailing each paper. Until that time, says



The Star's Knight Ridder and the Post's Bellco newspapers have sharpened their reporting and are fighting hard for advertising dollars.

Anne Boies, the president of Toronto-based OMD Canada, the country's largest media-buying firm, "the reality is that neither side can claim hard-and-fast numbers. The next numbers will be very interesting." The stakes are enormous, since circulation figures largely determine the rates that newspapers charge advertisers. At present, a full-page, black-and-white ad running in the *Globe* would cost a regular client \$32,700, while a similar ad in the *Post* is \$39,900 and in the *Star* \$28,900. The *Post*, a tabloid with a smaller page size, costs \$2,700.

While Canadian newspapers compete with growing intensity, the terms that some of them play for keepers are changing. In a six-month space last year, for example, two southern Ontario papers—the *Hamilton Spectator* and the *London Free Press*—were traded by Southcoast to Sun Media. They then appeared destined for Quebecor when it bought out Sun Media, and finally, in a later transaction, were sold by Quebecor to Toronto, along with two smaller southern Ontario dailies. On each occasion, that meant a change in important editorial content, such as the use of syndicated political columns.

For its part, Southcoast acquired The *Provincer* from Sun Media, and needed it into the present *Post*. Recently, Black moved to turn Southcoast into a privately held company by increasing shares held by his Hollinger Inc. to 97 per cent.

Then, there was the change that almost took place: Thomson's hostile \$900-million bid for Sun Media that eventually resulted in Quebecor's friendly \$1.3-billion purchase. That move gave Quebecor, in addition to its two French-language newspapers in Montreal and Quebec City, a nationwide network of English language dailies that includes four in Alberta, two in Manitoba, five in Ontario, and one (The *Press of Sherbrooke*) in Quebec. This

year, the turnover pace is likely to be slower. But some observers believe that Thomson, which owns eight newspapers in Canada, wants to divest itself of most, with the exception of the highly profitable *Globe*. If that happens, the hottest property would be the *Windsor Free Press*, which would likely be sought by Southern and Quebec.

Almost inevitably, these moves have caused dramatic changes in the editorial environment in many newspapers. Most of the talk—much of it incoherent—within advertising and editorial circles has centered on the *Post*, which has established a distinctive personality through its vast collection of talented, collectively grumpy, devotedly conservative and reliably pious journalistic staff. Much of its reporting resembles the North American tradition of neutrality in favour of the more British style of taking points of view. That approach, though criticized by some, has been praised by others for contributing to more evocative, decisive writing than in most Canadian papers.

In fact, the newspaper has shown almost massive zeal in pursuing certain issues, one senior Southcoast editor jokes that the *Post*'s word dream story and photograph would involve "a blindfold woman leaving a United Alternative meeting on route to a rally to impeach Bill Clinton." And Houdier, whose newspaper is the sole left-leaning major English-language newspaper, has observed dryly to associates that "it is not as though there was any shortage before this of right-wing voices." But even detractors acknowledge that *Post* editor Ken Whyte has shown a strong sense of vision in ferreting out offbeat stories and looking at more traditional stories through a different prism. As well, many business observers say, the beach-head *Financial Post*—transformed from a tabloid publication into a broadsheet eco-

## THE NUMBERS GAME

*Average weekly circulation*

<b>National Post*</b>	272,000
<b>The Globe and Mail*</b>	330,000
<b>The Toronto Star**</b>	468,000
<b>The Toronto Sun**</b>	260,000

\* Classified

\*\* Audit Bureau of Circulations Canada

*Rate for a full-page ad (black and white)*

<b>National Post</b>	\$28,500
<b>The Globe and Mail*</b>	\$32,700
<b>The Toronto Star</b>	\$24,000
<b>The Toronto Sun</b>	\$8,700

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## BUSINESS

tion—is easily the equal of the Globe's vaunted *Report on Business*. Boden, who initially criticized the paper as "disappointing," now says "Everyone I know is reading it, and doing it. It offers readers a lot of value for the money."

Another reason for its rise in its pecking of ads: while newspapers usually offer a rate of about 10 per cent editorial copy to 40 per cent ads, *Taback* acknowledges that the *Post's* average on some days is closer to 80 per cent editorial to 20 per cent advertising. And the *Post's* apparent early success with readers could have a downside for some fellow Southern papers in Ottawa, more than \$1 million was spent in the past two years on editorial improvements to give *The Citizen's* more upscale presentation. Southern sources suggest the paper's circulation did not budge—and that it may actually be declining as some readers switch to the *Post*, which covers much the same ground.

For their part, even *Globe* employees say the arrival of the *Post* has sharpened their own focus. Since it began publishing, the *Globe* has chopped its price in the Atlantic provinces from as high as 91 on weekdays to 50 cents, and added a third section to its national edition. Editorially, over the last year, it has increased the space given its foreign bureau, dramatically expanded its sports section and West Coast bureau, and hired more than a dozen new reporters, editors and columnists. Meanwhile, *Globe* officials say that their volume of advertising is as strong as ever.

Even before the arrival of the *Post* last October, other competitors were building up for the fight. The *Star* and *The Toronto Sun*, already at war with each other, spent millions on hiring new staff and paying out bonuses and increases to keep their most talented journalists. The *Star* hired more than 40 new journalists in the last year, bringing its total number of writers and editors to 428. The paper completely revamped its Sunday edition, expanded some of

its Saturday features, and under Timmers—a no-nonsense, former foreign correspondent—has built up its Ottawa and Queen's Park coverage and sharpened its focus on hard news. But most of all, says Timmers, "our strength is that we cover Metropolitan Toronto better and better than anybody else, and that's where our real energy goes." At the *Star*, Knight says, "We are the newspaper of the alpha male. If you want to know everything on sports, or crime or justice issues, there is no other paper that will give you as much." Because of that, says Knight, the takeover at *San Media* by Quebecor "is a perfect fit, because there formally in French in the same as ours in English."

Still, Quebecor's bite may be felt elsewhere in the Sun chain. The company is renowned for demanding unusually high returns on its investments, and for tight cost-control measures that run counter to *San Media's* more free-spending tradition. Even though the takeover is barely complete, reporters at *The Calgary Sun*, for one, say that in part of new cost-control measures, they have been told to use cell phones only in emergencies, to ask for news releases to be sent by e-mail, rather than fax, to save on paper costs, and to limit long-distance calls wherever possible.

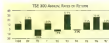
But overall, the changes on the journalistic landscape—coupled with newspaper prices that may drop by up to 25 per cent in the coming year—have made people uneasy with the industry's prospects. "Everyone used to talk about the death of newspapers," says Boden. "Now, everybody is just plain talking about newspapers."

In the case of the *Post* *Globe* war, *Taback* and *Crawley* agree on at least one thing: Says *Taback*, "When you look at our progress, remember that a newspaper is measured in years, not days." And, acknowledges *Crawley* at *Hitler's* "It is in and out of paper, and I expect the *Post's* here for the long haul." If so, in person and in print, the war of words is just beginning. □



Newsline: the shapen Star has hired 40 more journalists

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new product, known as Bridge, was spun off in December to Graphix Corp. of Campbell, Calif. Always skeptical of Corel's ability to stick with one strategy, the analysts were worried that Corel was about to blow a ton of money creating a North America sales force for what, at the moment, is still an unproven market.

Others agree that Corel, in its haste to carry over the big breakers, has walked away from a potentially huge and lucrative opportunity. "I don't care what the analysts or the best customers think—I'm still taking off that Corel didn't keep the NetWinder and create," one U.S. shareholder wrote on an Internet message board for Corel investors.

The theory, popular with some investors, is that Corel's recent moves are intended to clean up the company's books for a potential takeover by another company. Holders of this view can't imagine a role for Corel as a stable but boring software company, now entirely dependent on two new products with shrinking profit margins. Adding to the



Corel's wife, Marlon, and the \$400,000 top: a dizzying change in direction

speculation is the impending departure from the company of chief technology officer, the engineering brains behind many of Corel's most successful products at Corel and, before that, at telephone equipment maker MCI Corp. For 23 years, the two men have been inseparable. Branson says he will continue to advise Corel on a part-time basis, but he cautions most of his time will go to helping HCC with the NetWinder.

For the record, Corel doesn't seem to be going anywhere. CorelWIP and WordPerfect, he says, still have loads of untapped potential, and Corel is moving forward with plans to roll out new versions of both products, that veteran Corel warriors have learned not to put too much faith in such pronouncements. The day Corel sticks to one strategy, and stops veering off in new directions, will be the day he sells that Lamborghini.

## FORD CAPTURES VOLVO

Ford Motor Co. announced it will buy the passenger-car division of Sweden's Volvo AB for about \$9 billion, continuing the consolidation trend sweeping the auto industry. The sale expands Ford's share of the European market to 50 per cent. Volvo has been considering mergers or acquisitions since last year's union between Chrysler Corp. and Daimler-Benz AG. Ford's offer represents a \$10.7-billion bid by Italy's Fiat SpA for all Volvo divisions.

## HIGH-TECH BEHEMOTH

Heaven, Ont.-based JDS Fitel Inc., a rapidly growing manufacturer of telecom equipment, agreed to merge with Uniphase Corp. of California in a deal valued at \$4.7 billion. JDS Uniphase Corp. will be one of the largest producers of fibre-optic equipment in the world, with operations in eight countries and 3,800 employees.

## YAHOO! TAKES OVER

Yahoo! Inc. of Santa Clara, Calif., will purchase Nyma del Rey, Calif.-based GeoCities Inc. for \$6.1 billion in stock, creating the world's largest Internet search and directory service. Yahoo! already had a minority stake in GeoCities, which hosts Web pages created by individuals. Takeovers have increased in the Internet business, even though the stock prices of many Web companies have reached new highs.

## DOGFIGHT IN TORONTO

The Greater Toronto Airport Authority has taken legal action to break Air Canada's lease at Pearson International Airport. A victory against its largest tenant would give this authority the power to proceed with a \$4.4-billion redevelopment project, which the airline opposes. The move is the latest clash between the authority and the airline. The two have been warring over responsibility for long delays during January's storm in central Canada.

## A BANKER'S PAY

Bank of Nova Scotia chairman Peter Gosselin earned about \$1.4 million last year, a 26-per-cent increase over 1997. The largest part of his 1998 compensation was a \$93-million deferred payment based on his 1998 performance. The Bank of Nova Scotia had a record profit of \$1.36 billion in 1998, and was the only Canadian bank to post a double-digit profit gain.

## Slowing the Livent train

Two legal brothers Greenspan—Edward and Brian—share a resolve to keep two high-profile clients out of the clutches of the American judicial system. Livent Inc. co-founders Garth Drabinsky (represented by Edward) and Myron Gottlieb (represented by Brian), had been ordered to appear last week in a New York City federal court for arraignment on 15 criminal charges. On their lawyers' advice, they failed to show. Edward Greenspan characterized the U.S. fraud investigation as hasty and motivated by a "self-proposed clock." But the Americans are not about to slow down. U.S. Justice Department officials are seeking the swift extradition of Drabinsky and Gottlieb, and warrants have been issued for the two men. That means either could be arrested upon entering a country other than Canada. The Greenspans are grinding for a driver-out ordered extradition process and ap-



Edward Greenspan vows to fight client's extradition

peals that could take years in Canadian courts. Ultimately, the case could end up before the federal justice minister. That waits. Edward Greenspan, who says his client has concluded "it will be very difficult to get a fair trial in the United States. The Canadian system is a much fairer system. Livent is a Canadian company. The matter is now a Canadian matter."

## Western showdown

Bell Canada paid \$230 million for a 29-per-cent stake in Manitoba Telecom Services Inc.—the first step in a campaign to capture Western Canada. The deal is expected to give Bell's new Internet-based networking company, Bell Nexxia, a stronger share of the Manitoba market. MTS and Bell also plan to form a new networking company to move into Alberta and British Columbia, giving head-to-head with

Alberta's Telus and BC Tel, which recently merged. The move marks Bell's return to Manitoba after 91 years. Bell, which is the dominant phone company in Ontario and Quebec, has been anxious to move into Alberta and British Columbia ever since Telus and BC Tel pulled out of the national SBCor Telecom last year. Bell Canada is owned by Montreal-based BCE Inc., which last week reported a 1998 profit of \$1.6 billion, among the highest ever by a non-Bank Canadian company.

## FINANCIAL OUTLOOK

The Canadian economy grew by 2.8 per cent last year, down from four per cent for the same period in 1997, according to Statistics Canada. In November, the country's total output of goods and services—or gross domestic product—advanced 0.4 per cent from October, aided by strong U.S. demand for Canadian goods. It was the fourth consecutive monthly increase in the GDP. A survey released at the annual World Economic Forum in Davos, Switzerland, shows the world's

### GROSS DOMESTIC PRODUCT

(GDP output of goods and services, in billions of dollars)



leading economies are optimistic about the prospects for business growth in the next three years. Most economists attending the conference had a gloomier view, warning of further currency instability,

"You will see real volatility in the new economic... and I mean big volatility, like we haven't seen for many, many years."  
—Economist Kenneth Courts

"While encouraging, the GDP result masks a spreading, underlying weakness. A more pronounced slowdown will likely emerge in early 1999 indicators."  
—Scottbank

INSIDE: BEST AND WORST ACTUAL TRIDS

HOW TO RETIRE RICH

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## Mortgages on the block



Norville's Dignan: the broker industry is 'variously cleaning itself up'

Mortgage brokers were once the last hope for hapless home buyers with bad credit. Today, brokers constitute the fastest-growing segment of Canada's mortgage industry. They handled about 30 per cent of Canada's \$72-billion residential mortgage market last year, compared with 10 per cent five years ago, according to the Canadian Institute of Mortgage Brokers and Lenders. Most of their business comes from ordinary home buyers, who enlist brokers to find them the best mortgage deal at no charge. Lenders—including major banks, insurance companies and private lenders—pay the broker a finder's fee. "The industry is really

cleaning itself up," says Art Trojan, president of Toronto-based Norville Financial Services, the country's largest brokerage. "It's not like the old days when there were guys milking their banks willing to screw anyone."

The industry's market share has prompted the banks to respond. Of the six major banks, only the Royal refuses to lend through brokers. One reason could be the fees, which typically run to 75 basis points, or \$150 on a \$100,000 mortgage.

Trojan acknowledges the danger that brokers will favour lenders who offer the highest commissions instead of the best interest rates. Consumers can mitigate that risk, he says, by dealing with brokers who belong to CMBS, and carry credit and consumer insurance. He says brokers' customers often walk away with loans as much as one percentage point below the posted rate at banks. John Schipper, vice-president for retail credit sales at the TD Bank Financial Group, counters that consumers are just as likely to get a good deal through their own branch. There is consensus to use mortgage shopping point: it pays to negotiate.

## RRSPs losing out

Retirement: What's that? For the increasing number of Canadians just trying to stay afloat financially, saving for old age is hardly a priority. Soaring debt loads are the biggest barrier preventing investors from contributing to their registered retirement savings plans, according to a recent survey of financial advisers conducted for the Canadian Association of Insurance and Financial Advisers. Since 1990, the personal savings rate—which includes RRSP contributions—has tumbled from an average of 11.5 per cent of total disposable income to a meagre 1.5 per cent.

As a result, the pot of gold at the end of the

career is increasingly an illusion for many Canadians. Fifty-five per cent of those questioned in a December survey for Scotiabank said they have less than \$50,000 in their RRSPs, much less than they will need to ensure a comfortable retirement. In 1997, only one-third of Canadian taxpayers contributed to an RRSP at all. Respondents to the CAFIA survey also cited their taxes, job instability and stagnant salaries as stifling RRSPs. The poll also showed that market volatility has prompted a shift away from stocks or equity mutual funds and a swing towards bonds. Moreover, 58 per cent said they expect the same return on their investments this year as last year—about 10 per cent.

**FORECAST:** AUTO SALES Slower economic growth will curtail the number of vehicles sold in Canada to drop to 1.28 million in 1998, down from an annual average of 1.36 million over the past two years. The Bank of Nova Scotia predicts demand will be strongest in Ontario and Alberta, despite the downturn in the oil patch. Most automakers saw their Canadian sales slump in late 1998, although European manufacturers experienced a 35-per-cent jump in sales in the fourth quarter.

## Wealth on the Web

An estimated 60 per cent of Internet surfers now use the Web to manage their money. In 2000 Mutual Funds and WSJ's Online (Practice Hall Canada, \$16.95), Net experts Jim Carroll and Rick Broadhead guide readers through some of the many sites available to investors. The 256-page book offers advice on using the Internet to research mutual funds, and stocks and bonds, along with tips on how to avoid online investment scams.



## Under construction

Thirty-one per cent of homeowners surveyed in a recent poll for the Royal Bank said they plan to carry out major improvements sometime in the next 12 months. But the kinds of projects that Canadians want to do most vary.

### HOME PROJECTS

(percentage of those respondents who plan household improvements in the next year)



## Minding the stocks

Investors in Atlantic Canada and the Prairies will have the right to take complaints against stockbrokers to binding arbitration as early as this year. The Investment Dealers Association of Canada, which regulates brokers, already offers arbitration in British Columbia and Quebec and introduced it in Ontario on Jan. 1. An IDA official said the system will be established in the remaining provinces later this year or early in 2000. Binding arbitration speeds up claims between \$5,000 and \$100,000. Investors seeking higher amounts must resort to the courts.

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# Peter C. Newman

## Pamela Wallin could be the next CBC boss

**N**ext month, Jean Chrétien will make one of the most far-reaching appointments of his state, when he chooses Pierre Bessy's successor as president of the CBC, a nothing less than the national broadcasting system's survival.

The once-mighty public TV and radio network, which over a decade ago attracted nearly a quarter of its paid-up viewers and listeners, has been reduced to a niche audience operation devoted to an indigestible mixture of good intentions and heavy censorship.

Except for *Adventure Club*'s usually riveting cultural spectacles, *The New 20 Minutes* and *Royal Canadian Air Force*, nothing on the national TV schedule inspires. Looking at laundry soap day in my Maytag is more fun than watching most of the public network's television offerings. CBC Radio, once universal like it is in retirement, has also lost its magic. We all knew that Peter Gosselin was a great broadcaster; we didn't realize he was unapproachable. Then Montreal's libidinally labelled *radio* that has replaced him, less up to its name. Michael Sauter manages to give each a bad name. During his interviews, he sounds as disinterested as if he were reading off of a bookkeeper's manual. And his effort to change channels, but excludes none of the conventional radio transmitters of the compelling curiosity that were Gosselin's strengths.

There's no question that the CBC presidency calls for the appointment of a superb broadcaster—who also has to be tough enough to keep the Minister Corp from becoming a Minister Corp.

A new name jumped to the forefront of speculation recently when Pamela Wallin was observed having lunch at Toronto's trendy Borneo Club with CBC chairwoman Gaylene Snider. Wallin is, by quite a wide margin, the best interviewer in the country. Less well known is her remarkable business career as an entrepreneur broadcaster. She owns part of a TV studio and hosts two programs produced by her company, which is reportedly growing well over six and a half annually. She would bring several scattered advantages to the top CBC job: under those leadership burdens from a tough and decisive leader. She was a great interviewer when she was CTV's Ottawa bureau and has the advantage of being extremely well connected in the nation's capital without having attracted any political taint. It's a political plus that she holds from Saskatchewan and would be the first woman to run the CBC. Most important, Wallin leaves all about office politics, she was probably the National after looking her in and her Peter Monaghan, who made better use of his management connections. Instead of learning her better, that experience widened her horizons. When her name was recently floated at a CBC board meeting, heads were nodding around the table.

Another perfect candidate, and the one most favorably mentioned for the position, is Peter Herrndorf, the immensely capable Toronto broadcaster (B's OK, he comes from Winnipeg) whose CBC tenure as vice-president, general manager and head of English TV in the late 70s is remembered as the network's last heyday. It was Herrndorf who was mainly responsible for launching *The Journal*, which more than any other single program turned the CBC into what it's supposed to be a daily, national, low-budget morning hosted by the magnificent Barbara Frum. As well as his unruffled broadcasting experience (further enhanced during his post-network senior years as head of TVOntario), Herrndorf has the advantage of having earned both a law degree at this country's best legal school (Dalhousie University) and capitalism's best MBA (Harvard University). He is a capable manager as well as a great broadcaster. The politically neutral Herrndorf's only weakness is that he is not fluent in French and that his exercises have been spreading the false rumor in Ottawa that he is a third party.

Other candidates being mentioned include CBC executive vice-president and former president of Telecommunications Commission, James McQuinn; Trina McQueen, formerly the CBC's highest-ranking female executive who now runs the Discovery Channel; Bob Robinson, a former senior Ottawa media director, currently working for the Toronto-based engine in Montreal, Rob McLeod, the current president of the University of Toronto; and Diana Logan, a former CBC vice-president of regional broadcasting, now dean of the *Sage* The School of Journalism at the University of British Columbia. "It will be a critical appointment," says Logan, who does not consider herself in the running. "CBC is at a stage when it must prove its viability or people will start to wonder whether it still has a purpose. For too long, the CBC seemed to be in the business of disseminating rather than broadcasting. The new leadership will be critical in re-examining and carrying out a plan that has focus and is affordable."

Logan points out that the CBC's greatest losses have been in its regional operations, which have been reduced to bare-bones status. CBC TV Vancouver, for example, has had its staff cut in half and apart from the nightly local news shows engages no other programming. (The CBC's *Do Wacky Report* is an independent production being shot in and around Vancouver, but no member of its staff has stepped into the voiding CBC building, which stands quiet and critically underused.) "CBC has neglected its regional operations," says Logan, "and the people who live in those locations no longer feel that it is a significant part of their communities, so that the essential connection has been lost."

All of the names above would be worthy appointments, but it's Pamela Wallin that really intrigues.

# The Power to Make a Difference...



It is a time of astounding change. The Internet and other forms of digital technology are transforming the way we work, study and play. Borders mean less than they used to. Economic swings are sharper, more unpredictable. Sometimes things seem just a bit out of our control.

Faced with such uncertainty, Canadians might be expected to turn inward and show less interest in international affairs. Yet opinion polls show that our desire to influence the world—for the better—is stronger than ever. It is an important part of what binds us together as a nation.

While economists argue about the impact of

the "Asian flu," currency swings and capital flows, Canadians are focusing on what we *know* makes a difference. Education for a young girl. A small loan at the right time to help start a business. A convenient health clinic to help a parent nurse a sick child. Small steps that, taken together, have the power to change the world.

## ...One Step at a Time



The breakthroughs described in this supplement have been made possible

by the 500,000 Canadians who have taken part in the annual Partnership Walk, and by the support of the Canadian International Development Agency. The Walk is an initiative of Aga Khan Foundation Canada.

To find out more about Canada's International Development Week, check out [www.idw-sf.org](http://www.idw-sf.org).

or call 1-888-710-8901. To take part in this year's Walk on May 30, go to [www.PartnershipWalk.com](http://www.PartnershipWalk.com) or call 1-800-267-2532.



CELEBRATE INTERNATIONAL DEVELOPMENT WEEK, JAN. 31 - FEB. 6, 1999

# Investing in Women: Shaida's story



Since 1985, more than 500,000 women have taken out loans in projects supported by the Partnership Walk. The repayment rate is **over 97 per cent**.

*"Now I have my own business, and the money I earn I keep myself. It gives us strength."*

SHAIDA BEGUM  
CHAKPATA VILLAGE  
BANGLADESH

She would be surprised to hear it, but Shaida Begum is at the cutting edge of a banking revolution. Once a week, Shaida goes to a meeting of other hundred women in Chakpata and pays back 50 taka (about \$1) against a 3,000 taka loan she used to buy material to make fish nets.

Shaida's nets are in such demand that she earns enough profit to pay off her loan and run this simple "restaurant" for farm workers. Making each taka go a long way is nothing new to Shaida, or to the other members of her "savings circle." Each member of the group must pay back her loan, or the whole group defaults. This peer pressure acts as a kind of collateral.



This banker from BRAC—the nonprofit organization Shaida belongs to—makes house calls to each village to help women form savings circles, update their passbooks, and join literacy and other programs to help them in their business. The Bangladesh model of grassroots banking for women has spread to dozens of countries.



## CANADIAN CONNECTION

The Globe and Mail recently reported that Canada's first microcredit program exclusively for women is being launched in Cape Breton with initial support from federal and provincial governments. Loans of between \$2,000 and \$5,000 will help "to move people into the mainstream," according to Anna Sutherland, a vice-president at the Royal Bank, one of the partners.

# Teachers, Parents and an Early Start: The Keys to Opportunity



Nothing is more universal than a parent's concern about what goes on inside a child's classroom. Whether in a Canadian city, or a one-room school in Africa, the keys to a good education are the same.



## KEY #2: STARTING EARLY

When parents can neither read nor write, and work exhausting hours, early childhood education is essential. Without it, children from poor families fall behind early and are likely to drop out of primary school. Since 1985, more than 40,000 schools, mostly for girls, have been built with the help of the Partnership Walk. More than 70,000 teachers have received training.

## CANADIAN CONNECTION

CIDA also supports these early childhood and teacher training programs. The University of Alberta, Sheridan College, Queen's University, McMaster University and the University of Toronto have all developed special courses to train the next generation of education specialists.

## KEY #1: INVOLVED PARENTS

A village in Pemba, Tanzania, throws itself into building a preschool. Even though the average income is only about a dollar a day, these parents have set aside enough money (about \$5,000) to set up a community trust fund to help pay and train a teacher, and equip the school. Canadians help match this money.



## KEY #3: GOOD TEACHING

A primary school teacher in northern Pakistan gets more pointers. Building classrooms only pays off if teachers are well-trained and motivated. When education budgets are meagre, intensive on-the-job training for teachers (who often come from the local village) has proven to be the most cost-effective way to improve the quality of instruction.

## A Matter of Survival

Our efforts to preserve the earth's environment will depend on the efforts of those closest to the land.

### TAPPING INTO LOCAL INITIATIVE

Since 1995, the villages of Sabwa (pop. 473) in Gujarat, India, have planted 75,000 trees on the borders of their small farms. They have also regenerated a 77-hectare forest with banyan, oak and 24 other species. The villagers reaped saplings and some training, but most importantly they were granted control over the forest products they manage. Since 1985, more than 100 million trees have been planted in projects supported by the Partnership Walk in Africa and Asia.

### USING APPROPRIATE TECHNOLOGY

More than half of the families in Sabwa have paid for a biogas plant that turns animal waste into a clean cooking fuel that provides up to 70 per cent of household fuel needs. This means women and girls do not have to walk up to three hours each day to look for firewood. Any wood that is still needed is collected by carefully pruning the now-flourishing forest plot nearby (under supervision of the local forestry department).



John Lee Day



John Lee Day



John Lee Day

### CANADIAN CONNECTION



For 30 years, young Canadians have worked with farmers in India as part of Aga Khan Foundation Canada's International Development Management Program. Jessica Loring, an engineer from Montreal, worked in a village not far from Sabwa to study the impact on women's lives of small-scale irrigation and tree planting. She found that there are now two or even three growing seasons each year instead of one, incomes have grown, migration to the city has declined, and more children are able to go to school. She also saw how important conservation is to daily survival. "Almost everything is done by hand," she says. "Nothing is thrown out. Every minute detail is important to their subsistence. I was moved by the women and impressed by their art of being." The IDMP program is also supported by CIDA and the Royal Bank.

### FOOD SECURITY

In the former Soviet republic of Tajikistan, thousands of people were forced to the brink of starvation when the Soviet empire broke up and food imports were cut off. In Gorno-Badkshan, families survived the fierce winters with food aid from Canada and other countries. From the start, however, food aid was supplemented by an ambitious program of training, loans, better wheat and potato seeds, and, most importantly, an orderly shift away from collective farming. Now yields on privately managed plots are almost three times higher than under the old Soviet system. Food self-sufficiency is only a year or two away.



Armand J. Roberts



Dr. Alan Jay Clark



Peter C. Nicholas



Dr. Alan Jay Campbell



James Alan Johnson

# Look Who is Making a Difference!

The world was a different place in September, 1985. The Soviet Union still existed and so did the Berlin Wall. No one had heard of the World Wide Web. Nelson Mandela was still in prison.

At that time, a few hundred determined Canadians put on their walking shoes in Vancouver and took part in the first Partnership Walk anywhere in the world. They knew they had the power to make a difference.

The Walk quickly spread to Edmonton, Calgary, Toronto and Montreal, and then to Winnipeg, Ottawa, London, Ont., Halifax and Victoria. Along the way, it has touched the lives of thousands of Canadians from coast to coast, and millions of people in Africa and Asia.

Some of those who have shown their support for international co-operation by participating in the Partnership Walk are shown on this page.

This very Canadian idea has spread to the United Kingdom, Kenya, Portugal and the United States. On April 2, 1998, an editorial in the *Hawkes Bay News* urged readers to take part in the first ever Walk in that city: "Sure there are lots of ways of learning about problems in the Third World. But people who come out for the Partnership Walk on Sunday will be taking action towards doing something to alleviate those problems."

Yes, a lot has changed since 1985, but the reasons to take part in the Partnership Walk remain as strong as ever.



AGA KHAN FOUNDATION CANADA



Rev. David Anderson



Doreen Fraser and David



Gary Kesteven



James Ralph Allen



Executive Club

## Good Business

"It's a very inclusive event, and a fantastic volunteer effort. And with the Foundation, we know that all the funds that are raised go directly to where they're supposed to go. It's a good corporate fit for us."

RICHARD FLINT

VICE-PRESIDENT OF MARKETING  
NEWBORN UNION LIFE INSURANCE COMPANY (CANADA)



None of the funds from the "Incredible Walk" are used for administrative purposes. The Canada and by Ten West Spirituality Centre is holding the event on a street in St. John's that was once the site of the Canadian government's "1000" as a good investment for Canadian history. All proceeds go to the organizations that are directly involved.

Since 1985, more than 5,000 caring Canadian businesses have seen the short- and long-term benefits of sponsoring the Partnership Walk. A special thanks to the following lead sponsors in 1998:

<b>IPS</b> Industrial Products Services Ltd.	<b>ASIAN CAPITAL CORP.</b> Investment Services	<b>SAMCO</b> PRINTERS LTD.	<b>SERCO</b> SERVICES LTD.	<b>NORWICH UNION</b>
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<b>Merrill Lynch</b>	<b>novopharm</b>	<b>Towers Perrin</b>		

Agas Khan Foundation Canada is a registered charitable organization (#10007 2586 RRD001) that assists people in low-income countries of Africa and Asia without regard to race, religion or political affiliation. It seeks fresh solutions to pressing social and economic problems, with a particular emphasis on health, education, environmental protection and rural development. In Canada, the Foundation operates a variety of scholarship, fellowship and training programs, fosters institutional bridges between Canada and the developing world, and carries out development education programs that encourage discussion about Canada's role in an increasingly interdependent world. The Foundation is part of the Aga Khan Development Network and works with partners in Bangladesh, India, Kenya, Pakistan, Portugal, Switzerland, Tajikistan, Tanzania, Uganda, the United Kingdom and the United States.

www.PartnershipWalk.com

The Power to Make a Difference 6

## People

Edited by  
TANIA DAVIES

### Satire in St. John's

As the unlikely terror of *Ten River Has 20 Minutes*, Mary Walsh has bucked the spotlight in a variety of guises, from little-known Mary Delahanty to beer hall boss Dolores Dwyer. She has ridiculed Joe Clark and annoyed Jean Chrétien. Now Walsh, 46, makes her latest mark on the big screen as *Enthroned* director, a comedy from the Rock that sends up the media, religious angst and the Roman Catholic Church. Written and directed by Newfoundland's John Doyle, the film's surreal premise has the Virgin Mary dispatching John the Baptist to St. John's, Nfld., on the eve of the millennium. With *Coedo* veteran Andy Jones co-starring as her husband, Walsh plays a cable TV talk-show host who uses the prophet as her lark to network stardom.

Walsh herself is not worried up about the millennium. "It's like we made up this clock and now we're frightened of it." As for the Y2K bug, Walsh does not even use a computer, writes all her scripts by hand. But recently, she bought the computer version of *Manuscript* for her nine-year-old son, Jesse. "I found it really terrifying," she says. "Money is taken out of your account and you can't do anything to stop it."

Walsh's own game plan is busy. She is in *The Divine Spirit*, a film based on the novel by Newfoundlanders Wayne Johnston. And beginning next month, she co-stars in the CBC TV series *Docley Gardens*, a comedy soap opera about a St. John's hockey rink. It has no precedented laugh tracks, says Walsh. "People have to do something for themselves, don't you think?"



Walsh with her dog, Ryan, making time for laughing.

### Trudeau's viewpoint

As the son of former prime minister Pierre Trudeau and Margaret Trudeau Ramper, Alexandre (Jacko) Trudeau grew up surrounded by TV news crews and photo ops—and now he is working in the movies. Trudeau, 25, is one of seven intriguing video journalists, matched with *Quinn Sheik/Gilbert-Clare*, a 13-part series which debuted last week on CBC Newsworld and Radio-Canada's RSN. Each half-hour show examines the differences and similarities between life in Quebec and the rest of Canada. Trudeau had to shoot his own footage, and the McGill University philosophy graduate laughs when asked about his camera work. "I'm still learning," he says.

His four segments are among the second most viewed. Three deal with bilingual issues and the fourth looks at French-immersion programs in Calgary. The latter includes an archival news clip of his father



urging people to take advantage of Canada's diversity. Trudeau says he hesitated about doing it. "But I figured I might as well," he says. "Why shouldn't I deal with the subject like any other?" He interrupted his taping schedule when his brother Michel was killed in a B.C. avalanche last November. He declines to discuss the accident, and instead prefers to focus on his work, even a difficult topic like nuclear waste. "It's in Winnipeg." "It's hard doing a story on desperation and devastation," says Trudeau. "You feel like a scavenger, looking for people at their worst."

These days, Trudeau is writing a screenplay adaptation of Foster Osofsky's *The Possessed*. His ultimate challenge would be directing a feature film. Says Trudeau: "There is something old and ancient about taking an idea and turning it into a world."

The director and cameraman: 'learning'

## Close to the bone

Scientists uncover the cause of osteoporosis

In the spring of 1997, William Boyle, a microbiologist at Amgen Inc., a drug company based near Los Angeles, placed a telephone call to Dr. David Penninger, an immunologist at the University of Toronto, to discuss the Amgen Research Institute Boyle wanted. Penninger's help in determining the function of a protein—the gene that produces it—which Boyle's team had encountered in the course of cell research.

Boyle suspected the protein played a role in bone growth. Penninger and his research assistant, Young-Yan Xiong, set about creating genetically altered mice in which the mouse version of the gene—which is almost identical to the human one—was missing. Without the gene, young mice developed stunted bones that caused analgesic levels and other alterations. The Toronto researchers, whose findings were published last week in the journal *Nature*, had revealed one of the key controls in bone formation—and bone loss. The discovery, along with work done in Boyle's laboratory, could lead to drugs capable of preventing the ravages of osteoporosis, a bone-robbing disease that affects about 1.4 million Canadians. "The implications of this finding," said Penninger, "are really amazing."

The results of Amgen's research are already encouraging early testing on humans—though it could be years before a successful osteoporosis drug reaches the market. Last August, doctors in Colorado began injecting an experimental drug in post-menopausal women—the segment of the population most at risk of developing osteoporosis. A disease that usually arrives after the age of 50, osteoporosis leads to loss of bone mass, bone fragility and a high rate of fractures. The disease strikes most out of every race—and not just in older women. The current trials, Boyle explains, are to determine safety—and only if it is clear there are no dangerous side-effects will the drug go on to larger trials to determine whether it can actually slow or

halt bone loss. "I tend to be very analytical and cautious," says Boyle. "But we're excited by these findings."

The discoveries shed new light on the intricate biology of living bones. Unlike the solid structures seen in human and animal skeletons, living bones are dynamic organisms that constantly break down to release minerals such as calcium, magnesium and

to test the relationship between the two proteins. Boyle turned to Penninger, an Austrian native who came to Canada in 1980, initially to work under Tish Mink, the distinguished mouse system expert who heads Amgen's Toronto institute. Boyle decided to get help from Penninger—who now runs his own lab—"because he is very fast and very good at his work." Within six months, Penninger and his team had the answer, in mice that lack the OPG gene, the animal gradually lost and regrowth of bone is halted, leaving a skeletal structure that is unusually dense and solid.

The scientists' breakthrough currently being tested in Colorado is OPG—the protein that can block OPG and prevent bone loss. The findings by the two Amgen laboratories also opened up new avenues of research into other major diseases. One possibility is that the osteocalcin-control genes may play a role



Penninger (left) and Xiong with mice: findings that could shed light on bone cancer and other diseases

in osteoporosis, a disease in which bones lose rapidly after fragments in body bones wear away. As well, the genes may be involved in bone cancer, a disease that often acts in other cancers spread beyond their original site. "If we can figure out whether OPG or OPGL is involved in this," said Penninger, "we might be able to help cancer patients." But for now, the greatest interest is toward focus on the trials of Amgen's experimental drug, as the baby boomers in their 50s struggle with osteoporosis and the hip, spine and wrist fractures that so often come with it.

Boyle's group began showing precisely how some of these processes work with a finding published last May involving a protein called osteopontin (OPN), which actually plays a major role in osteoporosis. In mice that lack the gene for osteopontin, the protein called osteopontin ligand (OPLG) is to activate cells on the surface of bone called osteoclasts, which erode bone and release calcium into the bloodstream.

MARK NICHOLS



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## HEALTH

### A cancer mystery

For reasons that researchers cannot explain, testicular cancer is selective in its choice of victims, usually striking men between the ages of 15 and 20. It is also relatively rare: according to Statistics Canada, about 780 Canadian men contracted the disease last year, and only 25 died of it—thanks to improved chemotherapy techniques. But there are signs that the incidence of testicular cancer is increasing dramatically. According to a study published last week in the *Canadian Medical Association Journal*, the rate of testicular cancer in Ontario grew by nearly 60 per cent over the past three decades—in more than six out of every 100,000 men in 1996 (versus four out of 100,000 in 1964). Why the big increase? "Something is affecting the male reproductive system," says Louise Marrett, an epidemiologist with Toronto-based Cancer Care Ontario, a provincially funded agency that worked on the study. "But we don't know what it is."

One possibility, says Marrett, is that testicular cancer can be traced back to high levels of the hormone oestrogen circulating in pregnant women and affecting the development of some male embryos. During the first half of the century, North American women typically had babies at progressively younger ages—when their oestrogen output is highest—which could account for the rising levels of testicular cancer. If so, adds Marrett, testicular cancer may soon begin to decline as a result of the tendency now for women to have babies later in life.

Another theory centres on estrogen-like chemicals that some scientists believe led to increases in human reproductive problems, including some cases of breast cancer in women and declining sperm counts in men. According to this theory, a group of chemicals that mimic oestrogen may be involved. They include the now banned industrial chemicals known as PCBs and substances used in plastics and manufacturing processes. Of the two hypotheses, Marrett notes, "there is even less evidence for the theory" involving estrogen-like chemicals than for the idea that maternal oestrogen may be the cause. In an editorial accompanying the *Journal* article, Dr. Laurence Blot of the Toronto-Sunnybrook Regional Cancer Centre calls more research in needed to address the unanswered questions about a disease that can rob men of their fertility—and sometimes of their lives.

MUSCLE NICHOLS



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## Degree of command

### RMC's boot camp for the thinking officer

Even in the middle of the day, with the parade ground empty and cadets softly snoozed in class, you can tell this is a military college. The greenery stands at attention in windows of the century-old buildings, the windows of a determined upland polish tradition. No other university dorm in the country sports anything like this kind of regimentation: the pressed, daily-worn uniforms, the polished boots, the beds made

think-necessary culture." According to Gernstein, who felt he had to leave the military to pursue a PhD, only half of all dorms have a bachelor's degree, only seven per cent have advanced degrees. At RMC, commandant Hargreaves and principal John Platt, former naval officer who also left the Forces to pursue an academic career, say the college is taking more towards traditional pursuits and can do more still—depending on the priorities the brass wants to set.

just so, the parade practice at 9:00 a.m. But as they do it, they are at Kingston's Royal Military College. This is "a degree with a difference"—a difference, it turns out, that is being pressed to change with the times.

With the consolidation of Canada's three military colleges into one in 1995, RMC has emerged as the great hope for an educated, bilingual officer corps. Of its 932 undergraduate students—the vast majority high school graduates in the Regular Officer Training Program—27 per cent are francophone, 34 per cent are Anglophone, 34 per cent are non-Canadian. Bilingualism, since the problem child of the Canadian military, has become almost commonplace. Cadets take daily language classes in their second tongue, regular chemistry or engineering courses are taught in French or English, increasingly in a bilingual format. These are asking more to go to language school for the summer.

Sex is a more startling problem. "We don't try to discourage relationships unless they involve individuals in subordinate positions," says Brig. Gen. Ken Hager, the base commandant. "And then we just try to have them into different rooms so there is no problem." But he is still holding firm against the latest request: sex in the dorms. Cadets earn salaries while they study at RMC; they handle real weapons, they pay board—but they still can't sustain the opposite sex in their quarters.

RMC's biggest challenge, however, is mixing with a more than 100,000 officer corps. No less a military historian than Jack Granatstein, the retired professor who now runs the Canadian War Museum, tore a strip off the country's senior ranks recently, charging they cultivate a "no-



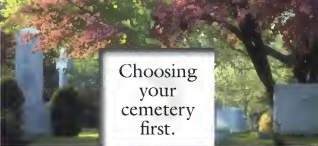
From parade ground to classes at the Royal Military College: the cadets for tomorrow's military elite

RMC graduates make up nearly 35 per cent of the new officer crop each year. It has recently signed agreements with nearby Queen's University to allow for a greater exchange of undergraduate and postgraduate students. In the past three years, it has set up a continuing studies program for officers and noncommissioned members on 16 bases. And the college itself has more to expand.

RMC's modest size, on a tight island by the St. Lawrence River, belies its capabilities. Its chemistry and engineering labs are the envy of much larger institutions. Due to base closings and downsizing elsewhere, the college has also inherited a wide array of intriguing equipment: an earthquake simulator, a rooftop telescope, and a small squadron of sailboats from the former Royal Roads Military Academy on Vancouver Island.

Recruitment is strictly through recruit-

ment: the armed forces pay a modest salary and full \$5,000 annual tuition in exchange for a minimum five years of service upon graduation. For that reason, the college grows its peak of achievement: three-quarters of new arrivals have at least an 80-per-cent high school average. More important, they tend to be those with a wide variety of extracurricular interests. Josh Zelenko, 21, arrived at RMC four years ago from the small town of Birch Hills, Sask. A straight-A student, she wasn't sure what she wanted to do after high school. "I just knew I really wanted to be bilingual and I really wanted more challenges." Now, about to graduate as an aerospace engineer, she feels she has truly been tested: early-morning inspections, rigorous weekend athletics or obstacle training, twofold ethics classes, mandatory humanities courses for engineers, warrens spent in military training. Cadets are supposed to have evenings off. Zelenko



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ROBERT SHEPPARD







The artist at his element, 1922 (above): detail from *Water Lilies and Aspidochelone (Self)*; (left): Giverny's spring photographs, painting the effect of light on subjects

# The master of colour

The giant Claude Monet poster suspended in the January chill outside the Montreal Museum of Fine Arts boldly proclaims "Vue 1907". A more convincing hint of summer lies inside at the museum's new show. *Monet at Giverny: Masterpieces from the Musée Marmottan* is the only Canadian stop for the hugely popular French master's paintings of water lilies, weeping willows and wisteria. They all depict Monet's beloved garden at Giverny, the hillside village near Paris where he lived for more than 40 years until his death in 1926. In such lush surroundings, Monet seemed to have no trouble finding his muse. In fact, the father of Impressionism became besotted with his new environment soon after relocating from Paris in 1893. "I am totally enraptured," Monet declared. "Giverny is a splendid place for me."

The 22 paintings are only a modest sample of the prolific colourist's creations—a far larger showcase at Monet's 20th-century

works opened in January at London's Royal Academy—but the Montreal exhibition still seems destined for success. An almost identical Monet show drew hundreds of thousands of spectators last year at museums in Baltimore, San Diego and Portland, Ore. And year-end museum officials are bracing that before the exhibition closes on May 8, more than 200,000 visitors will trickle through its doors.

The collection, on loan from Paris's Musée Marmottan, features works from the last 20 years of Monet's life. The subjects, if not the paintings themselves, are certainly familiar to a wide audience: the artist's spectacular Giverny flower garden and its two-acre water lily pond with its famous Japanese footbridge. Jean-Pierre Labrecq, the curator who organized the Montreal show acknowledges that the collection may seem a bit repetitive—six of the canvases are of water lilies while four focus on the footbridge arched over the water garden. But he still believes it will be well re-

## A Montreal exhibition shows how Claude Monet turned his garden at Giverny into a living canvas



ceived by visitors. The Giverny paintings, Labrecq says, are interesting on several levels, from the very large format of some of the canvases—two giant *Wisteria* paintings measure one metre by three metres—to what they reveal about the artist.

During his years at Giverny, the garden—which enabled Monet to keep probing the effect of light on subjects—were expanded. An avid gardener, Monet initially needed and planted, but then hired others to do it for him. At one point, Monet employed six people to tend to the grounds but he kept firm control over their design. After the turn of the century, he painted more than 200 works on various aspects of the gardens. "These landscapes of water and reflections have become an obsession," Monet confided to a friend. The exhibit, according to Labrecq, reveals an evolution in the painter's work. "His painting became more and more abstract," says the curator, "and this is probably one of the most interesting aspects of this exhibition."

For an artist who always painted what he saw, the Giverny works also provide a fascinating record of Monet's fading eyesight. (His vision, deteriorating since 1906, was partially restored after successful cataract surgery in 1925.) Although Monet studiously kept his colours in the same place on his palette, as he would know what shade he was applying, Labrecq notes that one point his colours sharply changed to more yellows and reds as his sight altered.

The Montreal Museum spent \$1.5 million to stage the exhibition. Officials say it should prove to be a more lucrative trek next time a masterpiece. These spectacles, which involve securing and coordinating works from numerous museums, are extremely expensive to mount and often run a deficit. The list that the Montreal show is on loan from just one location has kept costs from skyrocketing. To meet a local touch to the exhibit, the museum hired noted Montreal photographer Guy Sabin to capture Monet's Giverny home over the course of four seasons. The 1,200-by-1.5-m mounted photos show the scenery where Monet found his inspiration.

Does the exhibition bring anything new to the critical appreciation of Monet? Lucien Lacroix, an art history professor at the Université du Québec à Montréal, answers with not a second's hesitation. "No, of course not," he says. "That's not the purpose—it's to bring in tourists." Lacroix adds that Monet "has been studied left, right and centre." Still, he craves a bit of the Marmottan portraits. "I think they are the works of an artist who is a master of colour," says Lacroix. "They also try to solve the painter's problems of space, colour, brush strokes, and composition. And in that sense, I think they are true and interesting and important."

RENEA BRANDELL

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## Television

### Cowpoke comedy

**L**ove, Adventure, Cattle. *Nothing Too Good for a Cowboy* generously with characters ranging from Madonna wannabes to uncouth B.C. oilmen and it's the recipe for the CBC's "romantic comedy on horseback." *Nothing Too Good for a Cowboy*, a 13-part series which debuts at Feb. 7, is based on the true story of a neophyte teacher, Richard P. Holson Jr. (Vincent Vassini), attempting to build a cattle ranch in the B.C. interior of the 1940s. The series begins as Rich, his wife, Gloria (Sarah Chalke), and a business partner Pauline Phillips (Ted Atherton) emerge from spending six winter months in an isolated log cabin. But don't look for any sordid love triangles—the characters in *Nothing Too Good for a Cowboy* are much too proper.

And that is one of the series' problems. To really sparkle, a romantic comedy must satisfy the primal dream to see young lovers deep, struggle with, almost lose, but ultimately find, true love. This arduous path must be littered with comic obstacles. Love first. Laughs second. That's why "romantic" comes before "comedy." But the audience already knows Rich and Gloria are married—and without any uncertainty or tension in their marriage are likely to stay this way.

Still, the show delivers laughs, at least of a gentle variety. They are centred on run away pigs, outcaste palers and wayward grizzly bears. There are no real dangers in *Nothing Too Good for a Cowboy*. Cattle are lost—and found. The CBC scored some disquieting approach in the 1970s with *The Bushwhackers*. An entire episode could centre around its cartoonish archers Rick and a log.

*Nothing Too Good for a Cowboy* draws its greatest strength from its Second World War frame. The tumultuous period brings dashing pilots, fugitives and Vancouver security forces to the cabin. It allows the characters to disregard conventions, such as when Rich takes a female cattle hand. The stories are played with engaging energy by the show's young cast. Most notably, *Nothing Too Good for a Cowboy* breathes the standard Canadian one-hour historical series formula. It takes place in the 20th century, at best based on a novel by Lucy Maud Montgomery, and none of its protagonists are little girls named Anne or Emily. For this let us be grateful.

ANDREW CLARK

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# Allan Fotheringham

## The woes of the Olympics began in Montreal

There's a myth growing, on this Olympic issue, that it all started with the tacky, overcommercialized Summer Games in Atlanta. Which led to all the hebes and greed of Salt Lake City. It's a nice myth, but it's wrong. The real show got its start with Jean Drapau and the 1976 Olympic Games in Montreal. There was the blueprint for corruption.

Nick Auf der Maur, the celebrated columnist, boulevardier and Montreal city councillor who died last year, wrote a closely detailed book, *The Billion-Dollar Game: Jean Drapau and the 1976 Olympics*. As an insider on corruption, he saw the whole disaster unfold and knew Drapau well.

Jean Drapau, still alive at 82, knew nothing about sports. In 1963, he was visiting Lussigny to check out plans for Expo 67, which he had won for Montreal. He arrived 30 minutes early for his appointment and wandered inside International Olympic Committee territory. He was intrigued with the sects devoted to Baron Pierre de Coubertin, the Frenchman who revived the ancient Greek Games in 1896.

Mayer Drapau decided the 1976 Olympics would be his grand follow-up to Expo 67. With city hall official Gerry Snyder, he set off on a whirlwind tour to meet IOC delegates, hitting 39 countries in 17 days, followed by a week in South America searching for notes.

At the IOC decision meeting in Rome, Drapau showed every state-jaded delegates by promising that Montreal would pay all athletes' room and board and possibly transportation as well. But it was Europe's turn and Munich got the nod.

With more than half the Canadian Olympic Association's voting membership from the Montreal area, Drapau easily got the backing for the 1976 try. More than half the IOC delegates were flown into Montreal to vote year for all expenses paid visits to Expo 67, and lavishly wooed and coddled.

Drapau and Snyder (who he trusted because he could explain the anatomy of three buses in baseball) flew to Panama, Mexico, Munich, Athens, Cairo, Rome, New Delhi, Hong Kong, Seoul, Tokyo, Manila, Jakarta, Sydney, Los Angeles, Montevideo, Santiago, Buenos Aires, Lausanne—anywhere a vote could be found.



At the IOC final vote in Amsterdam, Drapau procured "a modest Games"—costing a maximum of \$124 million. "In that bold stroke," as Auf der Maur writes, he "killed Montreal's application out of the race of commercialization and sensationalism and into the ethereal world of Olympic idealism. The IOC was impressed. Here were the man and the city to save the Games."

Drapau the disaster wanted the equivalent of an Eiffel Tower for Montreal. After only one meeting, Roger Taillibert of France, brilliant and eccentric, was awarded the contract to design the Olympic stadium, without an open competition. It would have a lower the length of a skyscraper to support a reasonable roof. It was to cost \$80 million. He had never designed anything in a lifetime like Montreal.

Drapau bought a 16-room mansion and Mount Royal for "Archambaud" Roger Rousseau, his top Olympic official. Drapau awarded all Olympic contracts without tender. A London tabloid headline: "Call them the Mafia Olympics." France's *L'Express* daily stated the Mafia was in charge of the Montreal Olympics. The Times of London: "There is a stench of pork barrel and anarchy about this summer's Games."

Under Taillibert's design, the Olympic track skating ice would have ended on a curve. A frustrated IOC official asked: "How can you who don't understand sports put on a big sports event?" Rousseau chuckled: "I play golf."

Taillibert's graduate Velodrome, a cycling track with seats for 7,000, ended at \$70 million. The same firm it cost \$10 million, a new 60,000-seat domed stadium was spent in bundles for \$40 million.

At one stage, there was a forest of 200 building cranes at the stadium site, some from as far as Calgary, while gravel trucks driven gradually drove in, collected their fee and then drove out the other end, unloaded, and just went around the block again.

Skilled workers, at times 20-hour shifts a week, pulled down \$1,300 weekly by doing only two hours a day at actual work, while contractors and engineers argued over changing plans—and Taillibert's instructions, which all arrived in a time when Canada had not yet converted.

"The genius," Taillibert argued, "comes from France, the arts from Quebec." The genius, as we now know, comes from the tolerance of Montreal taxpayers who will be paying beyond their death. The "\$124-million" Games not only cost \$1 billion. The force of the stadium that has never worked has now hit \$3 billion.

The goods who got suckered in Atlanta, Salt Lake City and now apparently in brief Toronto obviously never bothered to read Auf der Maur's book. He concludes by recalling that George Bernard Shaw once said the only thing wrong with Christianity was that it hadn't been tried yet. And "the only thing wrong with democracy in Montreal is that it hasn't been tried yet."



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